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SOME RESULTS OF
INDIAN ADMINISTRATION
DURING THE PAST THIRTY YEARS

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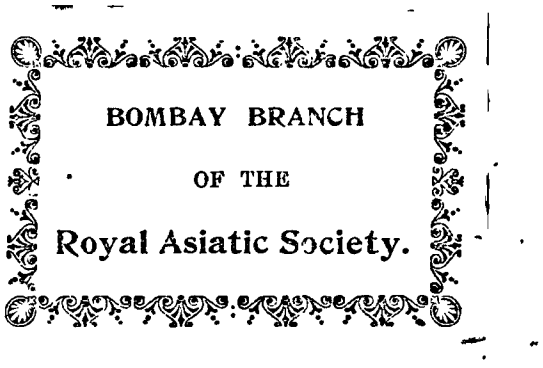

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MEMORANDUM

ON

SOME OF THE RESULTS

OF

INDIAN ADMINISTRATION

DURING THE

PAST THIRTY YEARS

OF

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BRITISH RULE IN INDIA.

Presented to both Houses of Parliament by Command of Her Majesty.

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28th February 1889.

Statistics and Commerce,
No. 16.

My Lord Marquis,

Your Excellency is aware that, in accordance with a provision contained in the Act for the better Government of India, a Report on the Moral and Material Progress of that country is annually prepared in this Office and presented to Parliament.

2. It occurred to me last autumn that, as thirty years had passed since the transfer of the Government of India from the East India Company to the Crown, it might be useful to review the history of Indian administration during that period, and thus to sum up and supplement the annual reports which have been published up to the present time.

3. I accordingly gave instructions that a memorandum on the subject should be drawn up. This has now been done, and as the work appears to me to be one of much interest, I enclose a copy, believing that your Excellency in Council will be glad to possess it.

I have, &c.
(Signed) CROSS.

To his Excellency
The Most Hon. the Governor-General of India
in Council.

Enclosure.

Memorandum on some of the Results of Indian Administration during the past Thirty Years of British Rule in India.

For some time past there has been presented to Parliament a yearly statement of the progress and condition of India, province by province. Thirty years have elapsed since India came under the direct control of the Crown, and it is proposed to review some of the results of Indian administration during that period In the year 1858, the Honourable Court of Directors of the East India Company published a "Memorandum of the "Improvements in the Administration of India" during the thirty years ending with 1857; the present review will be in some degree a continuation of that memorandum.

2. *Preliminary.*—At the outset it may be well to refer to the fact—long recognised by the Home and the Indian Governments—that India is not a single country with a homogeneous population. India is in truth a congeries of countries, with widely differing physical characteristics. It contains a number of peoples, speaking many languages, holding many creeds, observing different customs, and enjoying divergent degrees of civilization. It is difficult, therefore, to speak correctly of India as a whole; and statements that may be quite applicable to some provinces do not apply to other provinces or sections of the country.

At the beginning of 1858 the Indian Government had to face the administrative, financial, and military troubles that resulted from the mutiny of the Bengal Army. In 1878–80 occurred the Afghan war; in 1885–86 came the third Burmese war; and occasional expeditions had to be undertaken against tribes that harassed the north-west or the north-east frontier of India. But, on the whole, the past thirty years have been free from internal troubles and have been less disturbed by external war than any previous period of equal length during British dominion in India; and the Government have been able to direct their attention to the measures of progress and

the works of improvement that have characterised the administration of India under the Crown. Since the changes and revisions of jurisdiction effected soon after the mutiny, the only additional territories that been added to British India during the past thirty years have been a narrow strip of land at the foot of the Bhutan hills; the district of Peshin and other small tracts near Quetta, acquired in order to improve the defensibility of the north-west frontier; and the recently acquired territory of Upper Burma. No territory has been annexed, or has lapsed to the paramount Power, from any Native State in the interior of India; while the province of Mysore, with a larger population and revenue than belong to all the new territories put together—a province which had been under British administration for fifty years—was restored to a Native Prince of the old ruling family. The pressure of scarcity or famine was felt in 1860 over northern India, in 1866 over Orissa, in 1869 and 1874 over parts of Bengal and Behar, and in 1877 over southern India. The last famine was the severest and most far reaching Indian famine of which authentic record exists, the successive failures of crop were as complete, and the area affected was far greater than in the drought and floods of 1769, when one fourth to one third of the population of northern Bengal was swept away.

Administration.

3. *Constitution of the Government.*—Before the year 1858 the Government of India had been managed by the Court of Directors, subject to the control of a Board of Commissioners. In that year the dual Government ceased, and the control of Indian affairs was vested in a Secretary of State, responsible to Parliament, and assisted by a Council of persons versed in Indian affairs. In 1861 the Legislatures of India were established on a new and broader footing; but there has been little change in the constitution of the Supreme Government or in that of the principal local Governments of India. The Punjab has been converted into a Lieutenant Governorship, and the Viceroy's Executive Council has been strengthened by the addition of an ordinary member, usually designated the Finance Member, and of a member "for public works purposes," who is appointed only when the special urgency of affairs requires it. An important change has been made in the working of the Supreme Government of India, whereby each member has charge of a department or portfolio, while the Viceroy controls all departments, and himself usually takes charge of the Foreign Department; in this way a great number of questions are decided by the responsible member of the Government and the Viceroy, while the full Council have to consider only the more important matters. Certain provinces that were formerly but little controlled have been made into minor local administrations, under the Chief Commissioners of the Central Provinces, of Burma, and of Assam; while the province of Oudh, which for 20 years had been administered by a Chief Commissioner, has been placed under the Lieutenant-Governor of the North-west Provinces, with which territories it is closely connected by position, as well as by community of language, race, and interests. In order to transact the greatly increasing business of the country, larger powers have been conferred upon local Governments, and much public duty has been delegated to local bodies.

4. *Information about India.*—The basis of all good government, more especially in a country subject to foreign rule, must be full and correct information about the condition and surroundings and wants of the people. Before 1857 there had been much investigation of Indian questions, and great stores of information, some of it very valuable and interesting, had been amassed. But during the past thirty years further knowledge has been gained, which in variety, in detail, and in accessibility exceeds the results of previous investigations. The work of the trigonometrical, topographical, cadastral, geological, and archæological surveys had, some of it, hardly begun in 1857; some of these surveys have now been carried over the whole of continental India, and the additional information gained has been great and varied.

There had been countings of the people in their villages at different times in several provinces, and a regular census of the English type had been taken in the North-West Provinces and in the Punjab; but no census had been attempted in other provinces. The first simultaneous census of the Indian Empire was taken in 1871, and a second complete census was effected, after careful preparation, in the year 1881; on the latter occasion most of the Native States also took a census of their population. The Government and the public now possess complete statistics concerning the number of the people, their distribution over different parts of the country, their physical disabilities, and their migrations. Some conception of the improvement in information on these topics may be gathered from the fact that previous to 1871 the population of Bengal had been variously stated in official reports at 38 to 42 millions, whereas the census of 1871 showed the population of Bengal to be 67 millions; or to take a smaller tract, the population of the district of Tirhoot had been returned in 1870 at $1\frac{1}{2}$ millions, whereas the census of 1871 showed the population of Tirhoot to be close upon $4\frac{1}{2}$ millions. The subsequent and more careful census of 1881 showed that the enumeration of 1871 had not exceeded the truth.

During the years 1865 to 1880 a careful historical and statistical account was compiled and published for every district in India and for many of the Native States; on these accounts and on other information was based "the Imperial Gazetteer of India," a most admirable and useful work, compiled by Sir William Hunter, of which two editions have already been published. A regular system has been established, and is maintained, of registering trade across the sea and land frontiers of India, and on the chief internal traffic routes; of observing the movement of prices at some hundreds of marts; of registering the rainfall and other meteorological phenomena at several stations in every province; of ascertaining from week to week the condition and prospects of the crops in every district; of registering births and deaths, and recording the results of epidemic and epizootic disease over the greater part of India. The results of all these observations and registrations are published either weekly or monthly; and there is thus given to the public, to traders, and to the Government early and accurate information of much practical value, which was not available in any shape thirty years ago.

5. *Employment of Natives of India.*—In pursuance of the policy announced in Her Majesty's proclamation of November 1858, in accordance with Acts of Parliament, and in fulfilment of the just aspirations of the educated and leading classes, much effort has been made to associate Natives of India with the government of their own country. Under the India Councils Act of 1861, there are now either four or five Native Members on each of the five Legislative Councils, which consist of 10 to 18 members each. The Native Members are selected by the Government, just as European Members are selected, to represent the different provinces and sections of the people whose concerns come before the Council. The highest judicial tribunals in India are the High Courts at Calcutta, Madras, Bombay, and Allahabad, the Chief Court at Lahore, and the Judicial Commissioners' Courts in the minor provinces. In each of the High Courts there is at least one Native Judge. The superior officers of the Indian Civil Administration are drawn chiefly from the Civil Service, which consisted, in January 1888, of 964 persons, of whom 59 were Natives of India. Thirty years ago there were no Natives on the Bench of any Supreme or Chief Court, or in the Legislative Council, or in the Civil Service.

Next after the Civil Service the most important section of public servants in the Civil Department is the Subordinate Civil Service, in which there were last year 2,588 Subordinate Judges and Magistrates; of these 2,553 were Natives of India, including 104 Eurasians domiciled in India, and only 35 were Europeans. Since 1879 a person not a Native of India, or a member of the Covenanted Civil Service or Staff Corps, cannot be appointed to any judicial or revenue office, carrying a salary of Rs. 200 a month, without the previous sanction of,—

(*a*) the Secretary of State, as regards offices in Madras or Bombay;
(*b*) the Government of India, in the case of other provinces.

Subject to a few exceptions, this rule is strictly observed. Recently, however, it was found necessary to employ Europeans to fill some of the subordinate offices in the new province of Upper Burma. In Native States under British control, during the minority of the Chiefs, Native officers have repeatedly filled the post of Regent and of Chief Minister with advantage to the State and with credit to themselves. Meanwhile, in all parts of the country, Natives are learning to discharge important duties of local self-government; for on the municipal and district boards, which manage the local affairs of towns and rural tracts, the very great majority of members are Natives of India.

6. *Decentralization.*—The past thirty years have brought a great increase in the multifarious duties devolving upon the Governments and their officers in India. Probably the administrative, judicial, revenue, and executive business to be performed has more than doubled. The due transaction of these affairs has been achieved by the delegation of power and responsibility subject to supervision and control, instead of requiring every matter to come before the highest authority. Reference has already been made to the partition of Departments among the members of the Supreme Government; a similar division of business has been made among the members of the Madras and Bombay Governments and of Revenue Boards. Subject to limitation of Budget grants and to the provisions of the law, wider financial and revenue powers have been given to Commissioners and Collectors of districts. Litigation has been kept within bounds by restricting second appeals, and by barring all appeal in petty criminal cases and in civil suits concerning moveable property of small value when such suits are decided by selected Judges. A large quantity of magisterial business has been entrusted to Native honorary magistrates, whose judgments on the whole give popular satisfaction; while the management of local roads, streets, hospitals, schools, and other improvements has been made over to local bodies consisting mainly of Natives, and constituted under legislative enactments. In this way the vastly increased work of the country is being done without material addition to the strength or cost of the superior Civil Service, and with more satisfaction to the influential classes, who are gradually being admitted to a larger share in the government of their own country.

Legislation.

7. The Indian Legislatures, as they now consist, were established by an Act of Parliament (the India Councils Act) passed in 1861. In every one of these Legislative Councils are Native members, selected as representatives of the races and classes interested in the business of the Council; and the working of these bodies has gradually improved during the past 25 years.

The Codes.—Concerning the Indian legislation of the last thirty years, no less an authority than the late Sir Henry Maine recently wrote, "The "progress of India in the simplification and intelligible statement of law "has been greater than that of any western country, except perhaps the "German Empire. . . . Down to a comparatively recent date, the "influence of courts of justice for good in India was much diminished "by the nature of the law which they administered, and of the procedure "which they were compelled to follow. . . . British India is now in "possession of a set of codes which approach the highest standard of excel-"lence which this species of legislation has reached. . . . In force, "intelligibility, and in comprehensiveness the Indian Codes stand against "all competition. These codes are wholly the growth of the period during "which India has been governed by the Crown. . . . British India has "a penal code and codes of criminal and civil procedure. It has a code of "substantive civil law, of which no part is wanting, except a chapter on "'civil wrong,' which . . . is in active preparation. British India "has . . . thus become one of the few countries . . . in which "a man of moderate intelligence, who can read, may learn on any point

"emerging in practical life which is the law which should regulate his "conduct."

8. *Other Laws.*—Not only have codes of general operation, like those mentioned in the foregoing quotation, and like the Evidence Act, been enacted; but the revenue laws, the forest laws, laws concerning tenant-right and other rights in land, and laws relating to municipal and local self-government, harbour trusts, paper currency, and such like subjects have all been enacted or revised during the last thirty years. By such laws as the Christian Marriage Act, the Mahomedan and the Parsee Marriage Act, the Criminal Tribes Act, and the Act for the prevention of the murder of female infants, remedies have been applied to disabilities and evils that have come to light. Periodical additions to or re-enactments of the great codes have been passed by the Legislature, so as to bring the law into harmony with the growing needs of the community, and to prevent excessive accumulation of case law; while Acts have been passed for the repeal of obsolete enactments, so as to prevent the undue burdening of the statute book. Projects of law are published and discussed in English and in the vernacular languages for months, sometimes even for years, before they are passed into law, and advice is sought from all provinces, classes, and races interested. All opinions or suggestions are considered by Committees nominated by the Councils, and no effort is spared to exhaust every source of information or opinion. When a Bill becomes law, it is usually published in English and in the vernaculars for some time before it comes into force. An enactment of universal operation like the Penal Code is published at a cheap rate in about fifteen different vernacular languages, and during the past twenty-five years more than one hundred thousand copies of this Code have been printed.

9. *Legislation for special tracts.*—Round the frontiers of India, and in some of the hilly regions of the interior, are races and tribes who in civilization and civic progress are far behind the majority of their fellow-subjects, and some of whom still observe customs that are plainly irrational and immoral. To such peoples the body of Indian statute law cannot usefully be applied; and so by an Act of Parliament, passed in 1870, power was given to the Government of India to enact regulations for regions to which the Secretary of State might make that Act applicable. A list of "Scheduled Districts" brought under that Act was published in 1874, and as occasion arose other tracts have been similarly treated. For instance, the whole of the new province of Upper Burma has been constituted a "Scheduled District," until such time as the country and the people shall be ready to come under the ordinary legislature. A limited number of regulations have been passed under these powers, such as the Frontier Regulation for Assam, and the Frontier Crime Regulation of the Punjab, whereby crimes arising out of tribal feuds and vendettas on the Peshawur border can be referred for trial and sentence to a council of tribal elders. In many cases the regulations make parts of the ordinary Indian law applicable to the special tract concerned, with reservations and exceptions suitable to the condition of the country. This course has been largely followed in the Upper Burma regulations.

Justice and Police.

10. *Native Judges and Magistrates.*—The improvement that has taken place in the administration of justice is partly due to the simplification and codification of the law. Another important factor in this improvement has been the advance made by the great majority of Native Judges and Magistrates in education, in legal training, and in uprightness of character. Nine-tenths of the original civil suits, and more than three-quarters of the magisterial business of the country, come before Native Judges and Magistrates. Thirty years ago few of these officers knew English, none of them had obtained a University degree, and hardly any had enjoyed any legal training. At the present time nearly all Civil Judges in the older provinces know English, and many are University graduates in Arts or Law, while in most provinces all salaried magistrates appointed in recent years are men of education. The

average salaries paid to Native Judges and Magistrates have everywhere increased; in some provinces they are now double what they were thirty years ago. With the improvement in education and in salary has come a much higher standard of probity and sense of duty among Native Judges and Magistrates. A generation ago public officers of this class were often accused or suspected of corrupt motives. At the present time, such accusations against these officers are much more rare.

Not only has there been great improvement in the character and attainments of Native stipendiary Judges and Magistrates, but a large number of Native gentlemen in most provinces have evinced their fitness for employment as honorary magistrates. Thirty years ago an honorary Magistrate here or there discharged a little judicial business; last year there were more than 2,000 honorary magistrates, who deal with a great quantity of petty magisterial business in towns and rural tracts; their decisions give satisfaction in the main; their procedure is fairly correct, and many of them take real interest in their public duties.

11. *Judicial machinery.*—Thirty years ago there were two superior Courts sitting in each Presidency capital, a Supreme Court and a Sudder (or Central) Court. The Supreme Courts had no appellate powers, but exercised original jurisdiction over residents in the three Presidency towns, and, in certain cases, over European British subjects outside those limits. The Sudder Courts had no original jurisdiction, but were the highest Indian Courts of Appeal from local tribunals throughout the country beyond the limits of the three Presidency towns; and they also exercised general powers of supervision over those local tribunals. Under the present system each province has one High Court, Chief Court, or Judicial Commissioner, with complete jurisdiction over the province, and full control over all Courts, criminal and civil. For many years all civil suits and important criminal trials have, throughout the older provinces, been in the hands of special judicial officers, who have no direct concern with the executive administration or the police work of the country. Recently this separation of the judicial agency has been extended to the Punjab and in great measure to Oudh. Burma is now the only large province in which the administration of civil justice, and the trial of important criminal cases, are entirely in the hands of officers who are also charged with the executive, police, and revenue work of the country. Minor criminal cases are still tried in all provinces by officers who exercise executive and revenue functions, and the District Magistrate is everywhere, outside the Presidency towns, responsible for the police, revenue, and executive business of his district, as well as for the control of all subordinate Magistrates within his jurisdiction. In many parts of the country, where unity of control is necessary for the maintenance of order, this arrangement will probably continue for many years to come; in other cases financial considerations, for the present, prevent the creation of a stipendiary magistracy apart from the executive staff.

12. *Civil litigation.*—The extension of trade, the simplification of procedure, the increased promptitude in the action of the Civil Courts, the improved *personnel* of the Courts, and the establishment of additional tribunals have resulted in a great increase of the business coming before the Civil Courts. Approximately there were, in 1856, about 730,000 civil suits instituted in the Empire, while in 1886 the number was 1,908,869. To deal with this increased business the number of Native Civil Judges has been increased in all provinces. There is now little room for further improvement in the promptitude and regularity with which the Courts in most provinces act. To prevent the ruin of non-fraudulent debtors the Legislature has placed restrictions on the sale of land in execution of decree, and has greatly limited imprisonment. Special enactments have been passed for the relief and protection of encumbered landholders and indebted petty proprietors in Oudh, Sindh, Guzerat, and the Deccan, with results highly beneficial to many old families and multitudes of petty landowners.

13. *Police.*—Though the Police Department is now, as heretofore, a weak point in the administration, and though from time to time cases of extortion or oppression by the police come to light, still there have been important

improvements in the police system and practice during the past thirty years. The Criminal Procedure Code carefully defines the powers of the several grades of police officers, and narrowly restricts the circumstances under which the police can arrest and the time for which they may detain suspected persons without bringing them before a Magistrate. Act V. of 1861 provides for the organisation and discipline of the police force, and under that law there is now in every district in India a chief police officer who is separate from the judicial staff, and who, subject to the control of the District Magistrate, directs and manages the police and their work throughout the district. Before 1861 the police were directly under the magistrates who tried cases brought before them by the police. In most provinces the status, the wages, the education, the discipline, and the behaviour of the police have materially improved under the organisation of 1861. In every province the position of the indigenous village watchman has been improved, his duties have been defined, and regular remuneration has been secured to him; this has been done by laws which as far as possible leave the village policeman a member and a servant of the village community, subject to the legitimate control of the village elders. In cities and towns the urban watchmen have been incorporated under the Police Act, and formed into town police with duties confined to their respective towns. As yet it can hardly be said that the sympathies of the bulk of the people are with the police; though in times of trouble, and at seasons when extreme pressure falls upon the local force, respectable townspeople and villagers accept and faithfully discharge the duties of special constables without pay or reward. The sanitary and other municipal regulations, the Excise, Forest, and Infanticide Acts, and other special laws have laid upon the police many duties which were unknown thirty years ago. Railways, too, have made it easier for robber gangs to travel long distances to and from the scenes of their crimes, and have given rise to new forms of robbery. Gang robbery of the old Indian type has greatly abated everywhere during the past thirty years, except in Burma, where the circumstances are peculiar. But against cattle theft, housebreaking, and simple theft the police have not as yet been successful, and these crimes are not diminishing. Much of the housebreaking, house trespass, and theft is of a very petty kind; and in petty cases sufferers are allowed to choose whether they will or will not invoke police aid. Often a sufferer prefers to accept a small loss rather than incur the journeys and loss of time inseparable from a police prosecution.

14. *Criminal Courts.*—The number of Criminal Courts, in most of which Native Magistrates preside, has considerably increased, and sufferers have to travel shorter distances to seek relief from wrong. The Penal Code and the Criminal Procedure Code have made the law clear in criminal matters; the working of the subordinate Courts has much improved under the constant supervision of the superior tribunal; and criminal justice is now administered more promptly than was usual in 1856. An important factor in the improvement of both Civil and Criminal Courts has been the advance in education, which has resulted everywhere in a better, more educated, and more trustworthy class of Native advocates, whose influence is felt by the Courts, and from whose ranks the Native Judges are often recruited. Ever since 1861 the law has required that sessions trials shall be conducted with the aid of either assessors or juries. A full trial of the jury system has been made for some years in several districts of the older and more advanced provinces; but it is not yet certain that Indian juries in their present form work successfully. In most provinces the assessors, whose opinions are not binding on the Judge, give valuable aid in sessions trials. The results of criminal trials and appeals are fairly satisfactory and are improving. Of recent years the average length of criminal sentences has decreased, and the average amount of fines has fallen, while the proportion of fines realised to the total fines imposed has largely increased.

15. *Jails.*—The Legislature has, since 1860, passed Acts under which the management of prisons is systematised and the powers of prison officers are laid down. In every province central jails for long term prisoners, district jails for short term prisoners, and lock-ups for persons under detention have

been established; while Port Blair, at the Andamans islands, has been constituted a penal settlement with ample staff for the safe custody, employment, and care of all convicts under sentence of transportation. New jails, with a proportion of solitary cells, have been built on sanitary principles in every province; and prison scales of diet have been revised. Jails, hospitals, and appliances for employing prisoners healthfully and to advantage have been greatly improved; a regular good conduct system has been introduced; and in most provinces reformatories for the reception of juvenile offenders have been established. The result of these measures has been that much better discipline has been maintained in prisons; escapes from prison and risings in jails are comparatively rare; though each prisoner costs more than he did thirty years ago, yet he now earns more by his labour in jail; and the death-rate in Indian prisons came down to 34 per mille in 1886 as compared with a prison death-rate of 55 per mille in 1880, and as compared with 90 per mille, which was the average of the death-rates of eight provinces in 1863, the earliest year for which complete statistics are available. Of late the number of prisoners punished with whipping has been greatly reduced; in 1879 there were 21,933 prisoners whipped for breach of jail regulations, while in the year 1886 only 3,094 were whipped. There has of recent years been a decrease in the total number of prisoners confined in Indian jails; the total average number was 76,676 during the year 1886, as compared with 85,897 in the year 1869, and 121,637 in the year 1878, after the great famine of southern India. These figures are exclusive of ten to twelve thousand convicts under transportation at the Andamans, a considerable proportion of whom are now on ticket-of-leave, and maintain themselves by free labour at the settlement.

Land Revenue and Surveys.

16. *Land Revenue.*—The land revenue system and the laws regarding land tenures closely concern the welfare and the interests of the mass of the population of India. During the past thirty years revised settlements of the land revenue demand have been made for long terms of years, on moderate and equitable principles, over nearly the whole of India outside the permanently settled districts. At these settlements there have been made careful surveys of all holdings and records of all rights in the land. The periodical settlements of the land revenue used to occupy from four to ten years in each district, and to cost Rs. 400 per square mile, while they involved considerable harassment to the people. Now, by reason of the care taken in maintaining the village records, and in consequence of improved processes, the resettlement of a district occupies from one to three years, costs Rs. 100 per square mile, and involves comparatively little harassment to the people. Since 1856 the cultivated area has more than doubled in thinly peopled tracts like Burma and Assam; it has increased by 30 to 60 per cent. in the Central Provinces, Berar, and parts of Bombay; even in the thickly peopled province of Oudh it has increased 20 per cent. The extension of railways and roads has provided outlets for surplus agricultural produce, and has caused a general rise of prices in remote districts that were absolutely landlocked thirty years ago. New staples, such as jute, tea, coffee, and ground-nut, have been largely grown for export, while the exports of rice, wheat, cotton, and oilseeds have greatly increased. In this way vast sums of money have reached the agricultural classes, who have been able to raise their standard of living and to pay their land revenue more easily than before. Imprisonment, sales of land outside the permanently settled districts, and other harsh processes for the recovery of arrears of revenue, are now comparatively rare, and at the same time the land revenue is paid punctually. Last year the whole land revenue of the Bombay Presidency was collected from 1,409,880 revenue payers without issuing more than 4,096 processes for the recovery of arrears. The total increase in the gross land revenue during the past thirty years has been from Rx. 17,903,000 to Rx. 23,653,000; this increase of 32 per cent. in the land revenue has been concurrent with a rise of nearly 100 per cent. in the value of the gross

agricultural yield in consequence of the extension of cultivation, of the rise in prices of increased irrigation facilities, and of the introduction of new staples. In the year 1856 the land revenue was more than one half of the total public income of the country; now it is less than one third of the total revenues, so that the basis of the public income is broader than it was, and the comparative incidence of the revenue upon the land is lighter.

17. *Tenant-right.*—By the ancient custom of India the occupiers of the soil had the right to retain their holdings so long as they paid the rent or revenue demandable from them. In southern India, where most of the land is held by petty occupiers direct from the State, this custom has been respected from the beginning of British rule; and in the temporarily settled districts of northern India some degree of protection has been given to the tenants or ryots. But up to 1859 tenant-right had not been adequately safeguarded by law, and for the great province of Bengal the Court of Directors reported in 1858 that "the rights of the Bengal ryots had passed away *sub silentio*, and "they had become, to all intents and purposes, tenants-at-will." Since 1858 laws have been passed which make the petty occupiers of Madras, Bombay, Burma, and Assam proprietors of their holdings, subject to the payment of a moderate land revenue; and the petty proprietors are protected against future enhancements of land revenue on account of improvements effected by themselves. For nearly every other province in India laws have been passed securing tenant-right to all occupiers of any standing, prohibiting eviction or enhancement of rent save by consent or by decree of Court on good cause shown, and granting the ryots power to bequeath or sell their tenant-right.

The extent and character of the tenant-right declared or created by these laws vary in the different provinces; tenant-right is strongest in the Central Provinces, where the old land tenures were not very unlike the petty proprietorships of Bombay; it is less important in the Punjab, where the bulk of the land is occupied by proprietary brotherhoods, and the holdings of rent-paying tenants are comparatively small; and it is weak in Oudh, where the position of the talukdars or superior proprietors was exceptionally strong, and had been confirmed by the British Government. The position of tenants or occupiers in every province is better and more secure than it was thirty years ago. Even in permanently settled Bengal recent legislation has greatly strengthened and improved the position of the ryots; and a cadastral survey in one of the most populous districts of the province showed that 91 per cent. of the ryots enjoyed tenant-right under the new law. Thus Lord Cornwallis's intention in favour of the ryots, promulgated nearly 100 years ago, has, so far as changed circumstances permitted, been at last carried into effect, for the rights of the occupiers of the soil have been in part secured; and this has been done without injustice to the Bengal landlords, whose gross rental has increased four or five fold during the century, and has in many tracts more than doubled during the past thirty years.

18. *Surveys.*—Before 1858 the Grand Trigonometrical Survey had been organised, and there had been collected in India a valuable staff of surveyors, who were engaged in surveying the country for topographical and revenue purposes. During the past thirty years the system of great triangles, on which all the Indian surveys are based, has been carried over the whole country and extended to Candahar and Cabul on the north and far down the Malay peninsula on the south. The topographical branch of the survey had by the end of 1887 almost completed the survey of all India, including the Native States, but not including the newly acquired territory of Upper Burma. In former years the survey for revenue purposes used to map village boundaries, marking cultivated lands, village sites, woods and groves; but during the past 15 years the revenue surveys have mapped every field, thus making the results of their work far more valuable for agricultural and revenue purposes. Survey detachments have also mapped large portions of the Himalayas, the wild tracts on the north-western and north-eastern frontier, wherever military or diplomatic expeditions have been sent, and have carried exploration surveys up to the river Oxus on the north, into

Tibet, and to the boundaries of China. Within a few months after the close of any field work maps of the results are published, and in the year 1886–87 as many as 315 different maps were published, besides several thousands of cadastral village maps. For the whole of continental India the maps and geographical material are now as good as the country can afford, and better than are possessed by some more advanced nations. Through the operations of the survey an accurate knowledge of the tides on the Indian coasts has been acquired.

The geological survey has, since the mutiny, been carried over the greater part of India; the rocks and formations have been mapped and described, while special investigation has been made of tracts known or believed to contain coal, earth-oil, gold, or other minerals. The marine survey has continued its work; the Indian coasts and harbours have been surveyed, and charts of soundings have been published. Four years ago a special survey vessel, provided with the newest scientific appliances, was added to the strength of the Indian Marine, and the work is now carried on more completely than before. A small staff of skilled observers has been employed for twenty years in conducting an archæological survey of the older parts of India and Burma; their investigations and publications have thrown light on the history of India, and have facilitated the work of preserving the beautiful and interesting buildings left by dynasties and peoples that have passed away.

Heads of Revenue.

19. *Salt Tax.*—From time immemorial a tax on salt has been a source of revenue in India, and it has been held that at the present time it is the only impost which falls upon an Indian of moderate means who neither holds land, nor goes to law, nor consumes liquor or opium. In 1858 the salt tax was Rs. $2\frac{1}{2}$ a maund (about 82 lbs.) in Bengal, one rupee a maund (including cost of manufacture) in Madras, twelve annas in Bombay, and Rs. 2 a maund in Northern India; in 1859 the rates were raised to Rs. 3, Re. 1, and Rs. $2\frac{1}{2}$ respectively; and in 1861 they were again raised to Rs. $3\frac{1}{4}$ in Bengal, Rs. $1\frac{1}{2}$ in Madras, and Rs. 3 in Northern India; in 1865 the Bombay rate was raised to Rs. $1\frac{1}{2}$ per maund. The rate of Rs. $3\frac{1}{4}$ per maund had been applied in Bengal as long ago as 1837. The duty was levied at seaports on imported salt, it was levied on British India salt at the coast or other salt sources, and on salt brought from Native States it was levied by means of an internal customs line 2,000 miles long, winding round the Punjab, the North-West Provinces, and the Central Provinces. At this line duties were levied on all salt passing eastwards, and also on all sugar passing westwards.

Between the years 1870–78 arrangements were made with Native States owning salt sources, whereby the Rulers, in consideration of large annual payments, allowed the British Government to control and tax the manufacture of salt within those States. Railways were made to the salt sources, and so the Government were enabled to tax all salt passing thence to British India, by keeping small preventive establishments at the places of production. The way was thus opened for the abolition of the inland customs line, and for the equalisation of salt duties all over India. As a necessary step towards this end, in 1878 the salt duty was raised in Madras and Bombay, and reduced over the rest of India; and in 1882 the duty was fixed at a uniform rate of Rs. 2 a maund all over India, except in Burma, where a low rate of three annas, or about $\frac{1}{5}$ rupee, was maintained. The inland customs line was abolished, whereby the people and the trade along a broad belt of country, 2,000 miles long, were relieved from much harassment, and inland transit duties on sugar amounting to Rx. 165,000 a year ceased. The result of these measures was to reduce the salt duty by about 36 per cent. on 150 millions of the Queen's subjects, and to raise it by about 10 per cent. on 50 millions. Since the change the consumption of salt in Madras and Bombay, where the duty was enhanced, has regained its old level, while consumption has steadily increased over the rest of India.

Except in parts of Bombay and Madras, salt is everywhere far cheaper than it was thirty years ago. The cheapness, though in part due to the reduction of duty, is mainly the result of the extension of railways. Salt is a bulky article, and most parts of India are hundreds of miles distant from salt sources. For instance, at Nagpore, in the middle of India, 500 miles from the Bombay salt sources, salt used to be retailed at 11 lbs. per rupee, when the duty was Rs. 3 a maund; the railway was opened to Nagpore in 1866, and within a year the ruling price of salt at Nagpore was 19 lbs. per rupee, and remained about that rate till the duty was reduced in 1878–82. The effect of railways on the price of salt in Eastern Oudh and Rohilkund has been quite as marked; for those territories draw some of their salt from the Rajputana salt sources, which used to be distant two months journey by pack bullock, camel, and cart; whereas now the salt comes in railway trucks from the salt sources to many marts in eastern Oudh and Rohilkund. In 1888 the salt duty was raised from Rs. 2 to Rs. 2½ a maund, in order to meet financial difficulties mainly caused by the fall in the gold price of silver; the result of this enhancement on the consumption of salt is not yet known; but the obligation thus to enhance taxation on a necessary of life during time of peace was much regretted. The latest figures show that in 1886–87 the average consumption of duty-paid salt was, for all India, about 12 lbs. per head of the population; this is 50 per cent. larger than the computed rate of consumption in northern India 20 years ago, when the rate of duty was Rs. 3 a maund, but it is still below the rate of consumption in Bombay and Madras, where the duty stood at Rs. 1½ for some years. In the year 1861 the net salt revenue was Rx. 3,941,000, with a duty ranging from Re. 1 to Rs. 3¼, and averaging Rs. 2½; in the year 1875 the net salt revenue was Rx. 5,737,000, with about the same rates of duty; and in the year 1886–87 it was Rx. 6,171,000, with a uniform rate of Rs. 2 per maund or about ⅔ths of a penny per lb., all over India.

20. *Opium.*—The opium revenue is raised on opium sent from India to China, partly by a monopoly in eastern India and partly by an export duty in western India. The chief changes in the administration of this revenue during the past thirty years have been the enhancement of the export duty on Bombay opium; conventions with Native States, whereby, for a liberal payment, they unite with the Indian exchequer to safeguard the duty on opium grown in Native States; the increase of the price paid to poppy cultivators for all produce delivered at the Bengal opium factories; the formation of a reserve opium stock in Calcutta, whereby the amount of opium sold monthly can be steadily maintained from year to year, instead of fluctuating violently from season to season according as the crop is good or bad; and some extension of the breadth sown with poppy in Bengal and the North-West Provinces. The result of these arrangements has been that the net opium revenue, which averaged about Rx. 4,580,000 a year in 1855–58, rose to Rx. 8,451,000 in 1880–81. Since that year the opium revenue has decreased by reason of the fall in the price of Indian opium in China; at the same time the charges have been increased owing to the manufacture of a larger quantity of opium; and the net opium revenue averages Rx. 6,000,000 for the years 1884–88. The Indian supply is only a part of the opium consumed in China; but it has always been esteemed to be better and purer than the Chinese drug. Of late years the quantity of opium produced in China has increased greatly, and the quality of the drug has improved; at the same time the Chinese have, under the Chefoo Convention, materially increased the import duties on Indian opium, while they have engaged to abolish the inland duties formerly levied thereon.

21. *Customs.*—In 1858 the Court of Directors wrote that "the duty levied "on British goods imported into India was 5 per cent. *ad valorem.* There "was a distinctive duty on many articles imported from foreign countries, "and there was a general duty of 3 per cent. (from which, however, cotton "was exempt) on the produce and manufactures of India. . . . . In "southern India the land tariff was the same as that on imports by sea." In 1860 the import duties were enhanced to meet in part the financial difficulties consequent on the sepoy mutiny. Since that time gradual

reductions of duties were made, until in the year 1882 all customs duties whatever were abolished except on importations of salt, opium, wine, beer, spirits, and arms, and export duties were retained only on opium and rice. Recently an import duty has been imposed on petroleum. The salt and liquor duties, which are the necessary complement of excise duties, do not hamper the general trade of the country; the duty on arms and ammunition is levied as a matter of police precaution; and the trade of India is now, on the whole, more free from customs burdens than the trade of any great country in the world.

22. *Excise.*—Before 1858 the excise revenue on spirits, liquors, and drugs was raised all over India under the contract system, whereby a liquor dealer paid an annual sum for the monopoly of the liquor trade within a defined area, and was then permitted to make and to sell as much liquor as he could within that area. During the past thirty years this system has been changed, and in most cities, towns, and populous tracts all spirits passed into consumption pay a still-head duty, or an import duty per gallon according to strength; only a limited number of shops are licensed, and illicit stills are put down as far as possible. In sparsely peopled tracts, where administrative supervision is difficult, contract stills are licensed, but the great bulk of the revenue is raised under the still-head duty system. Under the present system liquor is much dearer to the consumer than it was under the old system, and the duty on every gallon of spirit consumed is much higher. The excise revenue has risen from Rx. 1,152,000 in 1860 to Rx. 4,439,000 in 1887. The consumption of liquor and the excise revenue per head of the population are considerable in some of the great cities and towns, while in the rural tracts both are for the most part very small. Owing to the improvement in wages and in industrial employment the classes which consume intoxicating drinks are able to spend more on liquor than they did thirty years ago, but they pay much more for, and contribute a higher revenue per gallon on, what they consume than they did under the old system.

23. *Income Tax.*—Thirty years ago the trading and professional classes contributed little or nothing to the national burdens, and the Court of Directors reported, in 1858, that "nearly two thirds of the revenue of India "consisted of the rent of land." In 1860 the late Mr. James Wilson introduced a tax on trading and professional incomes, and incomes derived from investments. Since that time, with short intervals, during which the impost was forgone, an income tax in one shape or another has formed part of the fiscal system of India. Difficulty has been found in ascertaining approximately the incomes of Native traders, and there have been complaints on the one hand that incomes are often over-estimated, and on the other hand that the majority of Native traders evade just assessment of their incomes, but these difficulties are being gradually overcome. Under the present law no incomes below Rs. 500 a year are taxed, and incomes from land or agriculture, being otherwise taxed, are exempt; incomes between Rs. 500 and Rs. 2,000 a year pay 2 per cent., and incomes of Rs. 2,000 a year and upwards pay five pie in the rupee, equal to 2·6 per cent., or $6\frac{1}{4}$ pence in the pound sterling. The total number of income tax payers in 1886–87 was 910,000 persons, of whom 102,000 were receiving fixed salaries, and the total yield of the tax was Rx. 1,305,000.

24. *Stamp Duties.*—Stamp duties before 1858 were levied mainly on litigation and on legal documents, and they yielded in the year 1859 a revenue of Rx. 683,000. In the year 1860 the stamp law was revised, and placed more nearly on the system followed in England. Duties were imposed on trading and commercial documents. Since that year the rates of duty have been periodically revised, and the original scale of duties has been reduced in many respects. These duties now yield a net revenue of Rx. 3,640,000, of which seven-tenths are levied from litigants in courts of justice and three-tenths on trading and other documents. The stamp duties, apparently, do not press more heavily on litigation than they did thirty years ago; but complaint has

been made concerning these duties, and it is proposed to revise them when the financial position permits, and other more pressing needs have been relieved.

Forests.

25. *Forest Conservancy.*—In 1858 a beginning had been made in the direction of preserving the State forests and securing a forest revenue in parts of Burma and Madras. There were great areas of forest, copse, and waste belonging to the State in every province of India, but little attempt had been made either to prevent wasteful destruction of forests, to promote reproduction, or to secure supplies of timber, firewood, or other forest products for the use of future generations. Since 1858 the forest system begun by Sir D. Brandis in Pegu and Tenasserim has been extended to every province of India; forest laws have been enacted for every province; a staff of trained forest officers has been organised; 68,000 square miles of State forests have been marked off as forest reserves, which are to be husbanded and managed as public properties for the benefit of the country and of neighbouring populations. Fire is being excluded from these forests; systematic working for timber for firewood, and for other purposes is being introduced; tribal and other rights or claims in the forest reserves have been bought up or adjusted; plantation and reproduction of timber and firewood are being scientifically conducted. Meanwhile, a moderate forest revenue has been fostered, and in 1886–87 the total forest revenue of British India was Rx. 1,104,000, and the net forest revenue was Rx. 383,000, after paying all charges for forest conservancy and working. The advantages, present and prospective, of scientific forest management are so clear that some of the larger Native States, notably Mysore and Travancore, have organised and are maintaining a forest administration of their own on the system adopted in British India, and are raising a considerable forest revenue. Some of the smaller States have leased their more valuable forests to the British Forest Department, to be worked on scientific principles.

Post Office and Telegraphs.

26. *Post Office.*—Before 1858 a postal system on the English model, with a uniform low stamp for all distances, had been introduced into India, and since that year the postal system has been greatly extended and improved. In 1856 there were 36,000 miles of postal route, now there are 66,960 miles; in 1856 there were 750 post offices and boxes, now there are 16,960; then 33 millions of letters, packets, and newspapers passed yearly through the post office, in 1887–88 the total was 274 millions. At the same time the post office has undertaken a vast amount of new work connected with money remittances, parcel insurance, savings banks, and other public requirements. The extent to which Indians of all races use the post office has increased amazingly. A letter now travels safely for a half-anna ($\frac{1}{2}d.$) stamp, and a post card for a quarter-anna ($\frac{1}{4}d.$) stamp, over a distance of 3,000 miles from Quetta in Biluchistan to Bhamo on the border of China, by road, railway, ocean, and river. The Indian postal charges are not intended to yield a large surplus revenue as in Great Britain, and the excess of postal charges over receipts was Rx. 132,516 in the year 1887–88; but the post office now pays its way more nearly than it did thirty years ago.

Among miscellaneous work performed by the post office the management of the savings bank business is becoming an important item. In 1858 the Government had opened no savings banks for the public, in the year 1887–88 there were 5,966 savings banks, with 261,157 depositors, of whom nine-tenths were Natives of India, and the balance of deposits at the end of the year was Rx. 5,048,836.

27. *Telegraphs.*—In 1857 there were 3,000 miles of single telegraph wire in India, and a few score of telegraph offices. There was in 1887 a total length of 30,034 miles of line, with 86,890 miles of wire; there were 2,389 telegraph offices, and $2\frac{1}{2}$ million messages passed over the wires, exclusive

of railway messages about traffic and departmental matters. The fee for a short message, irrespective of distance, which may reach 3,000 miles, is eight annas (equal to 8*d.* in English money), or about one-fourth of the rates charged in 1856. The telegraph receipts of 1886–87 yielded a surplus, after meeting all current charges for maintenance and working (exclusive of charges for new construction), equal to 4½ per cent. on the capital outlay of Rx. 4,000,000.

Hospitals and Sanitation.

28. *Hospitals.*—From the early days of British rule in India continued effort has been made to carry to the people and to the homes of India the benefits of scientific surgery and medicine, and to help the Indians to use their own indigenous drugs to the best advantage. In 1857 there were 142 civil hospitals and dispensaries, at which 671,000 sufferers were treated during the year; in 1886 there were in British India 1,411 institutions of this kind, at which 243,000 in-patients and 10,066,000 out-patients were treated. The number of Native practitioners who have been trained in Western surgery and medicine is now more than ten times as large as it was in 1857. Vaccination has been greatly extended; the earliest year for which accurate information is available is 1877, and in that year 4,027,000 persons were successfully vaccinated. The number of vaccinations has increased steadily in all provinces, until in the year 1886 the returns show 4,950,893 successful vaccinations. In some cities and districts the number of yearly vaccinations is nearly equal to the births; and in all provinces there has been a clear diminution in the prevalence and in the severity of small-pox.

29. *Sanitation.*—In 1858 nothing had been done for sanitary reform outside a very few large cities and cantonments; and no attempt had been made to ascertain the facts regarding death and disease over the country. During the past thirty years a system of registering deaths, causes of death, and births has been gradually extended over nearly the whole of India. In some provinces and in most large towns the registration is now fairly correct; and a valuable body of information is being collected concerning the mortality and diseases of the population in different tracts. Sanitary reform is being attempted in all cities and towns that have any kind of municipal organisation; and even in villages the observance of simple sanitary rules has been inculcated. In a considerable proportion of municipal towns some real sanitary improvement has been effected; but in most towns, and even in the city of Calcutta itself, it can hardly be doubted that insanitary conditions still cause much preventible disease and death. A regular supply of pure water has been provided for 23 cities and towns, while important improvements have been made in the water-supply of many more places. In rural tracts little sanitary reform has been actually carried out; and it cannot be said that any serious reduction has been yet effected in the recurrence of cholera or in the prevalence of fever; while in some tracts fevers are believed to have become more endemic in consequence of the raising of subsoil waters by irrigation canals without adequate provision for drainage. Sanitary Commissioners or Boards advise upon and control sanitary affairs in every province. The executive management of hospitals and sanitary matters is for the most part under the direction of local bodies, consisting mainly of Natives; and it may be hoped that gradually local opinion and the popular sense may be in favour of sanitary improvement. As yet the people of India do not appear to appreciate any practical sanitary effort except the provision of a pure water-supply.

Education.

30. *Education.*—The educational policy dictated by Sir Charles Wood's Despatch of 1854 was beginning to take effect when Her Majesty assumed the Government of India. In 1882–83 a careful inquiry was undertaken by a Special Commission into the educational system and progress of every province. The result of that Commission was a renewed enforcement and a farther extension of the educational principles and policy prescribed in 1854.

Three Universities had been established in 1857, and a few undergraduates had been attracted; Education Departments had been formed in the larger provinces; and a system of giving grants in aid to schools had been begun. The educational statistics of 1858 are not complete, but apparently there were then about 13 colleges, while the schools of all grades known to the Educational Department contained about 400,000 scholars. The earliest year for which complete statistics are available is 1865; and the figures of that year can be compared with recent statistics. In that year there were 26 colleges and college departments with 1,582 undergraduate students; in 1886 there were 110 colleges and college departments, with 10,538 undergraduates on the rolls. In 1865 the returns showed 19,201 schools of all grades with 619,260 scholars, while in 1886 there were 122,257 schools with 3,314,542 scholars. The total educational expenditure was about Rx. 394,000 in 1858, and was Rx. 671,000 in 1865; while in 1887, the total expenditure was Rx. 2,550,000, of which Rx. 663,000 came from school fees, Rx. 530,000 froin private subscriptions or endowments, and the remainder from the public revenues, national and local.

Normal schools for training men and women teachers have been established in every province; while a staff of inspecting officers visit and examine all schools on the departmental lists. The proportion of children passing the several standards has continued to increase; and the numbers reaching and attending secondary schools have steadily advanced till, in 1886, there were 404,000 boys and 25,000 girls on the rolls of such schools. Medical colleges and schools furnish yearly a limited number of graduates and a larger number of certificated practitioners, who do duty at hospitals and dispensaries, or serve in the Army Medical Department, and many of whom in the older provinces find useful and lucrative careers in private practice. A valuable association founded by the Marchioness of Dufferin, and strongly supported by Indians of all classes, is now employing women doctors for work in women's hospitals and in Indian homes, and is imparting some knowledge of medicine, surgery, and nursing to Indian women. Engineering and other technical schools and classes have increased, while a large number of apprentices receive technical teaching of the best kind at the workshops attached to the railway lines. Art schools have been established at a few centres, but the number of art students is not large; the teaching of drawing and surveying is, however, being extended in most provinces. The number of law students is everywhere large in comparison with the attendance at other special schools; but the law is a popular profession with the educated classes in India; and there can be no question but that the present generation of trained Native lawyers have done much to improve the administration of justice in India. Much of the educational progress of the past thirty years has been due to the efforts of private persons, missionaries, and others, who from motives of charity and public spirit conduct or endow schools, which earn grants in aid from the public funds; without these private agencies, the progress, more especially in secondary schools, could not have been nearly so great. The administration of educational funds and the control of schools, subject to supervision by Inspectors, are now mostly in the hands of local public bodies, the members of which are elected by or nominated from among the taxpayers.

It has often been remarked that one result of the secondary school and the university system in India is that it produces a larger number of graduates in "Arts" than can be absorbed into the public service or the learned professions as they now exist; and that the culture of these men is not such as to make them successful in commerce, in arts, in engineering, or in agriculture, and that there is a tendency for such men to form a discontented, unproductive class. The Indian educational departments are gradually applying a remedy by promoting the study of science and by extending technical and art education.

31. *Literature and Newspapers.*—One result of the spread of education has been a great increase in the number of books, magazines, and newspapers published in India. Thirty years ago there were a few vernacular newspapers, with a small circulation, mostly at or near the Presidency towns. In 1886–87 as many as 315 vernacular newspapers were published regularly in

12 different languages, with a circulation that in the case of one Bengali weekly paper reaches 20,000.

In the year 1858 hardly any vernacular books were published save a few educational or religious works and occasional reprints of old dramas, stories, and poems. In 1886 the register of publications for British India showed 8,877 books and magazines published within the year, of these more than nine tenths were in vernacular languages. They comprised original works of poetry and fiction, histories, scientific treatises, religious and educational works, magazines, and reviews, besides translations of standard English books.

Finance.

32. *Finance.*—The thirty years now under review began when the financial difficulties caused by the sepoy mutiny were at their height; between the years 1857 and 1862 those troubles caused a great excess of expenditure over revenue, and an addition of Rx. 42,100,000 to the public debt of India. In the year 1861–62 equilibrium was practically restored to the finances. For the purpose of the present remarks it will be best to take the years before and after the financial disturbance caused by the mutiny. In the year 1856–57 the total revenue of India was Rx. 33,378,000, and the year closed with a deficit of Rx. 474,000. During the 20 years previous to the mutiny there had been 14 years of deficit and six years of surplus, yielding a net deficit of Rx. 18,626,000, and an addition of Rx. 16,737,000 to the debt. During the 25 years from 1862–63 to 1886–87 there were 14 years of surplus and 11 years of deficit, yielding a total surplus of Rx. 6,169,000. For the purpose of this reckoning the sum of Rx. 7,829,000, set aside between the years 1881–82 and 1886–87 to meet future liabilities on account of famine relief, has been treated as surplus. The debt of India on the 31st March 1887 was Rx. 92,654,000 and £84,228,000, or about 177 millions in all. But against this should be set 78 millions of capital spent on railways, 25 millions on irrigation works, and 7 millions on loans to Native States or local bodies; this outlay yields upon the whole a net return of about 5 per cent. The public debt of India, apart from capital thus invested, is therefore 67 millions, as against 51 millions before, and 93 millions after, the mutiny period. The reduction of the real burden of the debt has been achieved by spending in prosperous years large sums on reproductive works, and by investing the sums set aside against future famines either in the public stocks or in reproductive works. At the end of the mutiny period the rupee debt bore interest at rates ranging for the most part from 4 to $5\frac{1}{2}$ per cent., and it was difficult to borrow money in England for India under 5 per cent. In 1888 the Indian debt bears interest at rates ranging from 3 to $4\frac{1}{2}$ per cent.; the conversion of 53,261,820*l.* India 4 per cent. stock into a corresponding amount bearing only $3\frac{1}{2}$ per cent., having been very recently effected; and during the present year money has been raised to pay off Indian loans or to pay for railways at the rate of $3\frac{1}{10}$ per cent. in England, and of 4 per cent. in India.

33. *Income and Expenditure.*—The total revenue of India in 1886–87 was Rx. 62,859,000, exclusive of railway earnings and municipal funds. This is nearly double the revenue of the period before the mutiny; yet the increase is almost entirely due to the growth of revenue under old heads. The only new revenues are the income tax, the provincial rates, and the forest receipts; they yield in all about Rx. 5,500,000, which sum is not much greater than the yield of the customs, salt, and inland duties abolished at different times during the last twenty-five years. New local cesses and other imposts for local, municipal, and port improvements have been imposed since the mutiny; but they are expended entirely by local bodies on local objects, such as roads, harbours, schools, hospitals, and town improvements.

The current expenditure of the year 1886–87, apart from capital outlay on railways, and from local or municipal funds, was Rx. 61,492,000, which shows a very large increase over the expenditure of Rx. 33,852,000 in the year 1856–57. This increase is due partly to the fact that revenues and charges are now shown "gross," whereas in former years some heads were shown "net," partly to enhanced outlay on public works of all kinds, partly to the increased Army charges, and partly to the silver difficulty described in the

next following paragraph; but it is mainly due to the growing requirements of a civilised and improving administration. The interest payable for capital spent on reproductive works is larger; the pension list has increased; the land revenue administration is more elaborate; there are many more courts of justice and more police; the outlay on post offices and telegraphs has grown; the expenditure on education, on hospitals on forest administration is many fold larger than it was in 1856; the standard of wages has risen; the average salaries paid to educated Native officers of all ranks have more than doubled, while the salaries of but few European Civil officers have increased, though the value of salaries paid in silver has fallen for the purpose of savings or expenditure in Europe. In order that the administration of India should be improved in accordance with the growing requirements of the present time, very much of this increased expenditure was absolutely unavoidable. Special commissions or inquiries are frequently instituted to check and reduce expenditure, and in this way economies are effected or increase is checked. The guardians of the Indian exchequer are constantly occupied in resisting proposals for additional expenditure, even though such proposals are shown to be in themselves reasonable and beneficial. But, with all this, the cost of a civilised government tends to increase, as is seen in England and other countries of Europe, and the increase has been more rapid in India, where such a government is of comparatively recent growth. The financial difficulties caused by the fall in the gold value of silver, and by the enhanced cost of the Army, have compelled the Government, both in India and in England, to take very stringent steps for restricting expenditure and preventing further increase.

34. *Currency difficulty.*—During the last fifteen years the task of administering the finances of India has become much more difficult by reason of the fall in the value of silver as compared with gold. Ever since India has been a dependency of Great Britain, a considerable expenditure on account of India has had to be incurred in England. Three generations ago India paid what might have been called tribute, just as the Dutch East Indies do at the present time. But the days of such tributes from British India have long passed away; and the English expenditure of the Indian Government is on account of interest on so much of the public debt as was borrowed in England; on account of interest on guaranteed railway capital, nearly all of which was payable in gold; on account of stores, arms, and material for railways, troops, and public Departments; on account of the depôts and despatch of British troops for India; and on account of pensions to retired public servants and soldiers. About 15 millions sterling has, in these ways, to be spent in England on account of the Indian Government, and this has to be paid in gold, while the Indian revenues are raised in silver.

For nearly a hundred years, up to 1871, ten rupees of Indian money could on the average be exchanged for one pound sterling of English money. And at that rate Rx. 15,000,000 (or fifteen millions of ten rupees) would suffice to cover India's yearly liability of 15 million sterling in England. But since 1871 silver has been practically demonetized in Europe; India and China are now the only great countries that freely coin or absorb silver; and the relative value of silver, as compared with gold, has gone steadily down. During the present year the sterling value of the rupee has been as low as 1*s.* 4*d.*, as against 2 shillings, the usual value of former times. At this reduced rate it would cost India Rx. 22,500,000 (or twenty-two and a half millions of ten rupees) to meet her liabilities of 15 millions sterling in England. Thus the Indian exchequer may have to provide for the service of the year, on account of charges in England, Rs. 7,500,000 more than it would have had to provide under the exchange rates of former times; and the charge thus arising fluctuates, from year to year, or from month to month, in accordance with the silver market, to an extent that the Indian financial authorities are wholly unable to foresee. By borrowing for railway extensions or other purposes in India instead of in England, future aggravation of the silver difficulty is to some extent avoided. During the present year a strong Royal Commission have been considering the currency difficulty, which was alleged to have injuriously affected trade. The great charges caused to the Indian Treasury by the fall in the gold value of silver account in great

measure for the present difficulties of Indian finance; they form the principal reason why deficits have sometimes occurred in recent years, why the income tax has been revived and salt duties have been enhanced, why the rice duty has not been taken off, why outlay on public improvements has been restricted, and why some authorities advise the reimposition of customs duties on importations in India.

35. *Financial system.*—Before 1858 the absolute control of all the finances throughout India, down to the smallest detail, was in the hands of the Supreme Government. Not even a messenger on a rupee a week could be permanently engaged without the sanction of the Governor-General in Council; and detailed projects for even small and urgent works had to be submitted to the Government of India. There were no Budget Estimates published annually; and, though expenditure was vigilantly restricted, and accounts were carefully audited, detailed grants of money were not fixed for each head of service, against which grants expenditure could be checked and brought to account. By Act of Parliament in 1858 the entire control of the revenues both in India and elsewhere is vested in the Secretary of State in Council; but as a matter of practice he delegates a large portion of this power to the Government of India under rules and regulations laid down from time to time.

In 1860 Mr. James Wilson introduced the system of annual Budget Estimates, with sanctioned grants for each sub-head in every province and district. Under his system Budget Estimates for the Empire are compiled from the sanctioned Estimates for each province and department; and the final Estimates are made public before the beginning of the year, together with the accounts and revised Estimates of the two preceding years. When the Budget Estimates of any year involve legislation for the reduction or increase of taxation, the Estimates are laid before the Legislative Council, whose sanction is sought to the projects of law brought forward. Every department and official is rigorously bound to keep expenditure within the sanctioned grant, or to report at once for orders if unforeseen circumstances, such as failure of crops, famine, or war, prevent the fulfilment of the sanctioned estimates of revenue, or necessitate excess outlay beyond the sanctioned grant. Behind the control of the Government of India is that of the Secretary of State for India in Council, who has laid down the principle that without his sanction no new office carrying a salary of more than Rx. 3,000 a year can be created, no serious departure from the sanctioned Budget Estimates is permitted, and no large scheme involving fresh expenditure can be launched. Mr. Wilson's system, with certain modifications of detail is still in force. From the time when he made his Budget speech in February 1860, the Indian Budgets or projects of law relating to financial measures of the year have been discussed on 18 occasions in the Legislative Council, and have on 11 occasions been published without such discussion.

36 *Provincial Finance.*—As the business of the administration increased, it was found increasingly difficult for the Supreme Government to exercise a detailed control over every item of expenditure throughout the Empire. Although the Budget system imposed a strict limit on expenditure during any year, yet at the end of each year the Local Governments were constantly pressing that more funds should be devoted to administrative and other improvements in their provinces. Lord Mayo's Government in 1870 decided that wider financial responsibilities and powers might advantageously be delegated to the Local Governments; they transferred to the provincial authorities the entire management of certain heads of civil expenditure, allotted to each Local Government fixed grants to pay for these services or Departments, and left them full discretion to spend those grants to the best advantage, subject to Budget rules and to the reservation of the powers of the Secretary of State. At the same time a more complete control was delegated to Local Governments over expenditure from all funds raised for local purposes. It was found that this partial provincialisation of the finances saved much correspondence and friction, conduced to efficient administration, and led the Local Governments to introduce important economies and improvements that might otherwise have been indefinitely postponed.

In 1877, and again in 1882, the provincial system was carried much further; the remaining heads of civil expenditure, as well as the irrigation canals and some of the State railways, were placed under the financial control of the Local Governments. At the same time, the interest of the provincial authorities were still further increased in the development of the revenue by the delegation to them of the management of all heads of provincial revenue, and by allotting to them shares of that revenue instead of a fixed money grant, to meet the provincial expenditure. As the provincial finance system now stands, the Supreme Government keeps under its own control the opium, salt, customs, post office and telegraph, tributes, mint, and currency receipts, and also the expenditure under those heads, on the army and military works, on political relations, on the public debt, and on certain trunk railways. The administrative control of other heads of revenue and expenditure devolves on the Local Governments. In round numbers and exclusive of railways, the Supreme Government keeps the control over Rx. 22,000,000 of revenue and Rx. 44,000,000 of expenditure, including payments in England, while to the Local Governments is delegated the control of Rx. 42,000,000 of revenue and Rx. 20,000,000 of expenditure.

Neither the Secretary of State in Council nor the Government of India is divested, by the provincial finance system, of responsibility for the finances or for the administration of provincialised revenues and departments. By the Budget rules, under provisions enacted by the Legislature, and by means of constant reports, they maintain control over the proceedings of the Local Governments. They reserve the right of modifying the provincial finance arrangements either periodically or when special need arises.

37. *Paper Currency and Mint.*—The three Presidency banks had a note circulation, which reached Rx. 3,317,000 in the year 1860, and which was hardly current outside the cities of Calcutta, Bombay, and Madras. In the year 1862 the private note circulation ceased, and the Government introduced a paper currency on the basis of completed convertibility into silver. There are now eight circles of issue, each of which gives in exchange for money notes ranging from Rs. 5 to Rs. 10,000 in value. Notes can be cashed up to any amount at the circle head-quarters; and they can be obtained or cashed in moderate quantities at most of the district treasuries in the circle. The value of the currency notes in circulation, which began with Rx. 3,690,000, amounted in March 1888 to Rx. 16,424,000; for some years previous it had kept at about 14 millions without showing permanent tendency to advance. The service performed by the note circulation is more considerable than the foregoing figures might imply; for the returns of the past year show that from April 1887 to March 1888 Rx. $83\frac{1}{4}$ millions worth of notes were issued by the currency department for cash, while Rx. $80\frac{1}{2}$ millions worth were cashed at currency offices and agencies. The Currency Act allows a part of the silver received for notes to be invested up to a maximum of Rx. 6,000,000. The full amount has been invested in Government securities for some years past; and the interest yielded by this investment amounts to Rx. 250,000 a year, while the expenditure of the Currency Department amounts to Rx. 37,000 a year.

Before the year 1858 there were three mints in British India. By reason of the railway communications and of improvements in mint processes and machinery, it was found possible to close the Madras mint and to do the work of the country with two mints. The Indian mints now work as well and as economically as the present state of scientific knowledge permits, and minor improvements or economies are being introduced from year to year. The total value of the silver and copper coined in British India from 1859 to 1887 inclusive has been Rx. 188,098,000; the heaviest coinage in any one year was Rx. 16,329,000 during 1877-78, the year of the great famine, when large quantities of silver were sent to the mints either by importers or from hoards and jewellery in the distressed districts.

Public Works.

38. In the time of the East India Company certain great roads were constructed, the Ganges canal was dug, the Jumna canals were reopened,

and improvements were made in some of the old works on the Madras coast, but the progress effected with works of material improvement in India has been far greater during the 30 years of Her Majesty's rule than during the preceding century.

Railways.—In 1857 the Indian Government had opened 300 miles of railway, which carried during the year 2 million passengers and 253,000 tons of goods. In the year 1887 there were 14,000 miles of open railway, which carried during the year 95½ million passengers and over 20 million tons of goods; while 2,500 miles of railway were under construction. The rates charged for passengers on these railways are as low as one farthing per mile for passengers, and one halfpenny per ton per mile for goods. The gross earnings of the Indian railways last year amounted to Rx. 18,459,000; and it has been estimated that the producers, traders, and passengers of India benefit to an amount corresponding to Rx. 60,000,000 a year by reason of the cheapness of railway over the old modes of travelling, exclusive of the saving of time between a rate of 20 miles a day and a rate of 400 miles a day.

It is hardly necessary to refer here to the incalculable benefit done by railways which in time of need carry food from prosperous districts to famine stricken provinces; or to the impulse given to production and trade when railways carry to the seaports surplus products that would otherwise have found no market, and might have rotted in granaries; or to the enormous addition to the military strength of the country, when troops and material can be moved to the frontier, or to any scene of disturbance, at the rate of 400 miles instead of 10 miles a day, and at one-sixth of the old cost. Railways have now been made, or are being made, on all the main routes in British or Native territory; the system of military railways on the North-West Frontier is nearly complete, and several lines which do not pay commercially have been constructed for the protection of tracts specially liable to visitation by famine. Cross lines and branch lines have still to be made, and during the two years 1886 and 1887 new lines or extensions, aggregating 2,228 miles, were opened. In the North-West Provinces and Oudh, the richest and most densely peopled tract in India except Lower Bengal, railway extension has progressed so far that it has been stated that "no village, except in the Himalayas and hill tracts south of Mirzapore, "will be more than 40 miles from a railway station" by June 1889, when the Indian Midland Railway, now under construction, will be completed.

The capital cost of all Indian railways open to traffic to the end of 1887 was Rx. 182,879,000; and during that year the net earnings amounted to 5·12 per cent. on this capital, which excludes outlay on lines as yet unfinished. By reason however of the rights of the guaranteed railways to one-half the surplus earnings above 5 per cent., and by reason of the liability to pay guaranteed railway interest in gold, the working and interest account of Indian railways for the year 1886–87 showed a loss to the Indian exchequer of Rx. 1,188,668.

39. *Canals.*—After railways the most important public works of the past thirty years have been the canals and other irrigation works, whereby water is carried to the fields in parts of the country where the climate or character of the agriculture requires it; embankments, whereby flood waters are kept from devastating the fields; and navigation canals. In their Report of 1858 the Court of Directors adverted to,—

The Cauvery and Godavery irrigation works then partly open.
The old Jumna canals, which had been reconstructed and reopened.
The Sind canals.
The Ganges canal, which had been just opened.
The Baree Doab canal, on which work had been begun.
The Kistna and Palar irrigation system, which had been begun.
The tank systems of Madras and other provinces.

At that time the total area irrigated from all the canal systems was less than 1,500,000 acres, exclusive of tank irrigation. Since then about Rx. 26,000,000 of capital, besides large sums from yearly revenue, have been spent on irrigation works. All the canal systems mentioned above have been finished or greatly extended; and there has also been large

expenditure on the following works, all of which, except the last, are in full operation :—

The Sirhind canal, drawn from the Sutlej.
The Sone canal.
The Orissa canals and embankments.
The Lower Ganges canal.
The Agra canal.
The Toongabhadra canal.
The Punjab inundation canals.
Minor irrigation works in Bombay.
The Irrawaddy and Sittang embankments.
The Damoodur and Hooghly embankments.
The Midnapore canals.
The Central Bengal canals and river improvements.
The Buckingham canal.
The Pegu canal.
The Betwa canal.

For some of these works, which have been constructed from revenue, separate capital accounts are not kept, and the direct return yielded by the different works varies greatly. For instance, on the Sind canals depend the revenue, the food, and the very life of the province; for of the whole cultivated land 98 per cent. depends upon canal water, and less than 2 per cent. of the yearly harvest is raised without irrigation. In Madras the Cauvery, Godavery, and Kistna irrigation works yield a direct return of irrigation revenue exceeding 15 per cent. on their capital cost. The canals in the North-West Provinces and the Punjab pay about 4 per cent. on their capital cost all round. The Central Bengal canals yield a large revenue from navigation tolls. The Orissa, the Sone, and the Toongabhadra canals yield little or no net revenue, but in years of drought they would safeguard great areas of crop and secure a large supply of food. Even in provinces where canal irrigation is popular and long established, there are great variations in the extent to which water is utilised; for instance, in 1883, a year of short rainfall, but not of famine, 2,297,000 acres took water from the canals of the North-West Provinces, and the net canal revenue came to 6·9 per cent. on the capital cost; whereas in 1886–87, when the rainfall was full and seasonable, only 1,363,000 acres took water from these canals, and the net canal revenue gave a dividend of only 4·7 per cent. on the capital.

For the year 1886–87 the total area that took water from all public irrigation works in India was 10,951,000 acres. For the same year, the net revenue on all irrigation works for which capital accounts were kept gave a dividend of $3\frac{1}{2}$ per cent. on a capital expenditure of Rx. 25,136.000. The additional value of the crops secured by State irrigation works was estimated at Rx. 14,500,000 for the year 1886–87. In a year of drought or famine the money value of the benefit conferred by these works would be very much greater. Nearly four-fifths of the irrigation from the great canals, most of the protection afforded by embankments, nearly all the navigation canals, and about half the irrigation from minor sources, are due to works which have been carried out during the past thirty years.

40. *Roads.*—During the first half of the period under review a large expenditure was incurred from the general revenues on the construction of roads and bridges, more especially in the Punjab, the Central Provinces, Bombay, and Burma. In times of scarcity, when work had to be found for the labouring poor, new roads were made in many districts. But no precise returns are available showing the precise length of metalled or bridged roads, or of other roads in each province. Since 1871 the system of making over to local bodies the custody and construction of local roads has become more and more general. The Local Boards or Committees either enjoy revenues or receive grants enabling them to discharge their responsibilities in this respect; and most of the available money is now spent in maintaining and repairing existing roads. New trunk roads are rarely required, and additional roads are now, for the most part, made to facilitate access to railway stations. In Bengal, where relatively little road making had previously been done, the District Committees have, for the last 15 years, spent about

Rx. 300,000 a year in extending and improving roads and highways. During the past thirty years there have been spent from general and local funds on roads and bridges in India sums that do not fall short of Rx. 1,500,000 a year. As railways extend, much more will have to be done in making feeder roads to the railway, more especially in provinces where the rainfall is heavy and carts cannot ply for five or seven months of the year, save on metalled and bridged roads. The settlement returns show that the number of carts possessed and worked by the people has increased greatly during the past thirty years. Tolls have been abolished in most provinces, and are rarely levied on roads save occasionally at ferries or temporary bridges of boats.

41. *Public Buildings.*—It has been the custom of the Indian Government to discourage any avoidable outlay on public buildings, and to devote available funds mainly to roads and canals. Still a great deal of building had to be undertaken. Healthy and commodious quarters have been erected for the troops all over India; most of the larger prisons have been either built or rebuilt on new designs; lighthouses have been provided round the Indian coasts; a great number of court houses, public offices, hospitals, police stations, and school houses have been constructed; and at Bombay have been erected a group of public buildings which would be a credit and an ornament to any city in the world. Forts, batteries, and places of arms have been constructed or begun at obligatory points on the frontiers, at some of the seaports, and at a few places on the great routes in the interior. Meanwhile the ancient and beautiful buildings of past dynasties, at places like Agra, Delhi, Madura, Benares, Lahore, Ahmedabad, Gour, Budh Gaya, and Bhilsa have been cared for and conserved.

Trade and Manufactures.

42. *Trade.*—The extension of roads, railways, and canals, the improvement of seaports, the increase of the cultivated area, and the abolition of internal and external customs duties have caused a great expansion of the trade of India. The exchange of commodities between one province or one district and another has increased vastly, but we have no record of the internal trade of India before 1858. In that year the Court of Directors reported that the exports and imports of merchandise by sea from and into India were valued at $25\frac{1}{2}$ and $14\frac{1}{4}$ millions sterling respectively, or $39\frac{3}{4}$ millions for the total foreign trade. The corresponding totals for the year 1887–88 were $90\frac{1}{2}$ millions of exports and 65 millions worth of imports, or $155\frac{1}{2}$ millions of total trade. The external land trade of India, principally with Siam, Nepal, Cashmere, Afghanistan, and Biluchistan, has increased less rapidly; it has risen during the last ten years from a value of Rx. 4,857,000 to a value of Rx. 5,753,000. The total trade between Afghanistan and the Punjab has, during those ten years, fallen from a value of Rx. 1,509,000 to a value of Rx. 891,000. The total value of the external trade of India by sea and land has thus nearly quadrupled during the thirty years; while the actual bulk of the trade has increased in even greater proportion, because prices of most imported and exported goods are lower now than they were in 1856.

In all parts of the world a large and regularly expanding trade is rightly regarded as a sign of national prosperity. While India's external trade has gone on increasing, there has arisen within her borders a great cotton spinning and weaving industry, which already competes favourably with European manufactures in Eastern markets; there has grown up a great and rapidly increasing production of Indian coal; at the same time, new and valuable agricultural staples have been naturalised in the country. The next generation may, perhaps, see ironworks and the production of metals prosecuted in India on a large scale.

43. *Manufactures.*—In old times India was a self-contained country, where every tract, more or less, made its own clothes from its own cotton, produced its own iron and made its own tools, grew and consumed its own food. Yarn was spun, cloth was woven, iron was smelted, and tools were made on a small scale by individual workmen after rude methods. But before 1858 the old order was changing, and the change has been still more rapid since. Machine made fabrics and tools are taking the place of the local manu-

factures; and no doubt many thousands of families have lost the trade and the custom their ancestors had enjoyed for generations. But this change has not been without compensating advantages. There are signs that some of the Indian art industries, such as embroidery and work in silver and gold, are reviving in answer to the new demands of a growing foreign trade. Agriculture, which always was, and still is, the mainstay of the population, has expanded enormously. Other industries have arisen. In 1856 there was hardly a power loom in the country, now there are 89 cotton mills, with 16,736 looms and 2,190,376 spindles, employing 72,000 hands; there are 24 jute mills, with 7,134 looms and 135,593 spindles, employing about 30,000 hands; there are 43 rice mills, 41 saw mills, besides flour mills, oil mills, iron foundries, woollen mills, paper mills, pottery works, and the great workshops attached to railways and shipbuilding yards. The manufacturing industry of India is in its infancy; but a beginning has been made, for the yarns from Bombay cotton mills are gaining ground in China and Japan, as well as in Indian bazaars, while the jute mills of Bengal hold their own with Dundee in the markets of the world for the coarser jute fabrics. In 1858 a little coal was raised from a few coal workings in Bengal, while railways, steamers, and other consumers of coal got their fuel from England. Now the coal output of Indian collieries is 1,388,000 tons a year, as compared with an annual importation of 765,000 tons from abroad; while new coal-fields are being opened out in other provinces. If engineers and artificers of the present day in India are unable to rival the beautiful structures left by dynasties that have passed away, the field of employment for masons, carpenters, and artificers in India is wider and larger than it ever was before; and some of the great works of Indian railway and Indian hydraulic engineers, works put together by Native Indian workmen, are worthy monuments of the first thirty years of the direct rule of the Queen in India.

44. *Agriculture and new staples.*—The chief industry of India has always been agriculture, but it was not until about the year 1870 that the Indian Government directed systematic attention to fostering and improving Indian agriculture. Since that time there has been established in every province of India a public department which collects and distributes early information concerning the crops, controls or advises upon model and experimental farms, introduces new agricultural appliances, tries new staples, and is organising schools for teaching the chemistry and science of agriculture. By these departments Indian students of good education have been sent to Europe to study at agricultural colleges. The indigenous field implements and methods have been found financially the best for agriculture of the kind prosecuted by the people, and it is chiefly in respect of the use of manures, of rotation of crops, of fodder raising and storing, of new staples, and of such appliances as improved sugar mills, that the example or teaching of the agricultural departments and their agents is likely to have useful effect. Something has been done towards introducing better breeds of cattle into some provinces, and great attention has been paid to the improvement of the local breeds of horses, ponies, and mules. At the present time more than 400 selected sires from Great Britain, from Arabia, and from good cross breeds are being maintained by Government in the chief horse breeding districts, besides a large number of donkey stallions in the mule breeding tracts. For the improvement of the breed of sheep and goats something, but not much, has been done in the Punjab. Cattle disease, in epizootic form, is one of the great difficulties of Indian agriculture; and, as yet, the efforts to combat this plague have not been successful. After careful inquiry the proposal to separate or destroy tainted cattle after the English system was negatived. An experiment is now to be made in Bengal with M. Pasteur's prophylactic treatment.

Before 1857 the cultivation of tea, coffee, and jute had been begun, but the progress made was small, and these articles were not reckoned among the staple products or exports of India. Customs restrictions were withdrawn, and the acquisition of waste lands for such crops was facilitated, and now the tea industry has so far extended that in the year 1887 over 296,000 acres were under tea, about 300,000 persons were employed upon tea gardens, and India exported 90 million pounds of tea, valued at Rx. 4,883,000. Thus

during thirty years the Indian tea export has grown from nothing to nearly two-thirds of the total export of tea from China. The coffee industry has been checked of recent years by a leaf disease, which destroys the coffee bushes, and also by increased production from South America; still coffee valued at Rx. 1,540,000 was exported from India in the year 1887. The exports of raw and manufactured jute during the same year were valued at Rx. 6,021,000, besides the great quantity of jute used for bagging in India. Thus the export of these three new staples, tea, coffee, and jute, which in the trade returns for 1858 were valued at Rx. 456,000, had in 1887 reached a value of Rx. 12,418,000. Since 1858 the cinchona tree has been introduced from Brazil, and is now cultivated on the hills of India. One result of the introduction of this new product is that cinchona alkaloids, the only known specific against the fevers which scourge Indian populations, are now sold in India at about one-fifth the price which this valuable medicine used to command.

45. *Botanical Gardens and Museums.*—The Court of Directors were liberal in their support of botanical and other scientific investigation that contributed to develop the natural products of India. The excellent botanical gardens at Calcutta, 'Ootacamund, and Seharunpore have been maintained, and their usefulness extended, while another botanical garden has been opened at Bombay. A large Imperial museum at Calcutta has been built, and is gradually acquiring a great wealth of natural history and archæological specimens; other museums at Bombay, Madras, Lahore, Lucknow, Nagpore, and Rangoon have been established or extended; entrance to these museums is free, and the number of Natives who visit them is very large. To the Calcutta museum has been added a commercial section, representing as far as possible the products and manufactures of Bengal. At the India Office in London there was a large collection of Indian products and fabrics; but not being very accessible to the public the specimens of economic botany were transferred to the museum at Kew Gardens, the collection of Indian antiquities was made over to the British Museum, while a vastly enlarged, constantly increasing, and well arranged collection of fabrics and appliances from ancient and modern India has of recent years been placed in a branch of the South Kensington Museum, which any one interested in the commerce or people of India can visit without charge.

Condition of the People.

46. *Divergent Conditions.*—The circumstances and condition of the people vary greatly in different parts of India. The plain of the Ganges from Seharanpur to Dacca bears a rural population of 80 millions at a rate of 400 to 800 to the square mile. The Central Provinces, Burma, Assam, Rajputana, and considerable areas in the Punjab and in Bombay carry a rural population of less than 150 to the square mile. There are provinces where the rainfall is always abundant, ranging from 60 to 100 inches in the year, and there are vast plains where the rainfall is precarious and is often less than 10 inches a year. There are tracts like Sind, Tanjore, and parts of the North-West Provinces, where one half, or more than one half, of the cultivated area is irrigated in one way or another. Again, the great sandy plains of the Punjab, wherever water is led from the snow-fed rivers, at once become fertile, attract and support a large population; while in other arid tracts like the Deccan uplands, Bellary, and Kurnool water is rarely available, and even when water can be had, as from the Toongabhardra canal, the people do not take it for their crops. The tenures and the distribution of profits from land vary greatly. In the Punjab and parts of the North-West Provinces, in Bombay and Madras, in Burma and Assam, the profits of agriculture go wholly or in great part direct to a sturdy and in ordinary years a prosperous peasantry, who till most of the land themselves; while in Behar, Western Bengal, Orissa, Oudh, and part of the North-Western Provinces, most of the profits of agriculture go to landlords. In these latter provinces the pressure of population and the competition for land have forced up rents, so as to leave, in some cases, only a bare margin for the support of tenants with small holdings.

In any comparison between the condition of the people in India and in Europe it has to be remembered that in India every one marries, and

marries early; that the population increases yearly at a rate varying from ½ per cent. per annum in the Upper Ganges plain to 4 per cent. per annum in Burma; that there is no poor law or system of poor relief, but there is everywhere a widespread and openhanded charity, so that the infirm, the old, the sick, the cripples, priests, besides many who prefer a mendicant's life, are in ordinary years supported by the alms of their neighbours. Further, it must be borne in mind that in rural India, from the nature of the climate and by immemorial custom, the poorer classes have fewer wants, and can satisfy them more cheaply than in Europe. Clothes, warmth, shelter, furniture, cost very little for a rural family in India; and the bulk of the population are fully satisfied with two meals a day of millet cakes or porridge, some pulse or green vegetable, salt, and oil. In coast districts, in southern India, and in Moslem families, a little salt fish or meat is added to the daily meal.

47. *General.*—So far as ordinary tests can be applied, the average Indian landholder, trader, ryot, or handicraftsman is better off than he was thirty years ago. He consumes more salt, more sugar, more tobacco, and far more imported luxuries and conveniences than he did a generation back. Where house to house inquiries have been made, it has been found that the average villager eats more food and has a better house than his father; that, to a considerable extent, brass or other metal vessels have taken the place of the coarse earthenware vessels of earlier times; and that his family possess more clothes than formerly. There are exceptional districts, like North Behar, where the rural population is extraordinarily dense, or parts of the Deccan, where the soil is extremely poor, and the rainfall is very precarious; in such tracts the condition of the landless labourers is still deplorably low. There are other exceptional tracts, such as Lower Burma, Assam, Malabar, Canara, the Himalayan districts, and a great part of Eastern Bengal, where the population is sparse or not too dense, where the soil is rich, where the rainfall is always abundant, and where good markets are at hand; in such tracts wages rule high, work and food are abundant, there is a comparatively high scale of living, and there is no real poverty. The greater part of India lies between these exceptional extremes, and, on the whole, the standard of comfort in an average Indian villager's household is reported to be better than it was thirty years ago. It is quite certain that the population of India absorb and hoard far more of the precious metals than they did formerly, for during the past thirty years India's net absorption of gold and silver from outside has amounted to 342½ millions of 10 rupees, or an average of 11½ millions a year, while during the 22 years ending with 1857 the net absorption of the precious metals by India averaged only 3¼ millions a year.

48. *Condition of different classes.*—The population, for the purpose of the present paragraph, may be roughly divided into—

The landowning class.
The trading class.
The professional class.
The tenant or ryot class.
The labouring class.

The landowning class includes not only the great zemindars of Bengal and Oudh, who with their families and retainers live on the rent of the land, but it includes tens of millions belonging to the proprietary brotherhoods of northern India, to the petty proprietors holding their lands directly from the State in Madras, Bombay, Burma, Assam, and Berar, and to the tenure holders of Eastern Bengal. All these classes are undoubtedly better off than they were thirty years ago, for the profits of agriculture are larger owing to the rise in prices and the export demand for surplus produce. In every province the market price of land has advanced; and in many parts land fetches now three to ten times the price per acre that it did thirty years ago. The trading classes are, on the whole, better off by reason of the greatly increased commerce of the country, though the percentage of profit on transactions and the interest of money are lower than they were. Great fortunes are less easily made in trade and money lending than they were thirty years back, but a larger number of traders make a fair living by commerce.

Among the professional classes, lawyers and soldiers enjoy better incomes than they used to do; the salaries of Native servants of Government average higher than they formerly did. But present times are not favourable for the priestly castes, cultivators of Moslem or Hindoo lore, broken down gentlefolk, scions of decayed old families, and others who, from religious sentiments or caste feeling, are unable to accommodate themselves to the changing order of things.

The tenant or ryot class in all provinces enjoy some share, and in some provinces have obtained a considerable share, in the increased profits of agriculture. In tracts where the system of petty proprietors obtains the tenants are few, and nearly as well off as the small landowners. In Eastern and Central Bengal the ryots are well off. In the Central Provinces, where tenant-right is exceptionally strong, the ryots are mostly in good circumstances. But in Behar, in part of the North-West Provinces, and in Oudh tenant-right is weak, or has been but recently placed on a firm footing; the population is dense, holdings are small, and many of the ryots are in poor circumstances. They and their families earn something in good years by labour outside their holdings, and when the season is favourable they live fairly well. A ryot with tenant-right under the law can generally get credit in a year of short harvest. But in a famine year many of the ryots in these last-named tracts must and do break down. The first people to suffer in time of scarcity, and even to starve, if State relief does not reach them, are the old and helpless folk who in ordinary years live on the alms of the small ryots and of labourers.

The labouring classes, who have no beneficial interest in the land, are in India a smaller section of the people than they are in England. Still out of the total Indian population of 270 millions there are a vast number of labourers, and their condition is most important to the prosperity of the country. The wages of skilled labour, and the amount of skilled labour finding employment, have increased considerably; and in some districts, more especially along railway lines, the standard of wages for unskilled labour has advanced. The price of food, however, has risen, though this increase makes little difference to agricultural labourers, most of whom are paid in kind. There have been and are hard times for hand weavers and such like handicraftsmen, whose employment is reduced by the competition of machine made goods. The landless labourers in the thickly peopled rural tracts, remote from railways or new industries, live poorly now, as they have done in generations past; and their wages or earnings are in some districts very small. In ordinary years, when the harvests are moderately good, even the landless labourers as a class get enough to eat, though individuals from accident, infirmity, or idleness may suffer; but people of this class have no savings, and cannot get credit, so they suffer in seasons of scarcity when employment in the fields is scanty. In parts of the Ganges valley the pressure of the population, which is entirely agricultural, is too great for the land to bear. Some small emigration takes place; about 71,000 persons a year emigrate from India across the sea to the Straits Settlements, to Ceylon, and to sugar islands in the western seas; about 25,000 a year migrate to the tea districts, and about 70,000 a year to Burma. But most of these emigrants go merely to labour for a time, and they return home after one or more years. There are vast breadths of good land available for settlers in Burma, Assam, and the Central Provinces; parts of the Punjab plains, as yet untilled, will support a large population as soon as canal water can be made available. But hitherto attempts to promote emigration on a large scale from over-peopled tracts to distant provinces have failed. The Indian peasant is very loth indeed to leave his ancestral village. It may be that improved means of travelling and advancing knowledge will hereafter lead to a much larger migration of the population within India than has yet been known.

49. *Condition of the poorer classes in different Provinces.*—After the famine of 1877 a careful analysis of the condition of the people in every district of India was undertaken. The inquiry is not yet complete; but a preliminary review of this important subject was published by the Government of India October last, giving the results of special reports furnished upon the

condition of the lower classes of the population in every district. The Marquis of Dufferin's Government described the situation in the following words:—

"4. It may be stated briefly that, over the greater part of India, the condition of the lower classes of the agricultural population is not one which need cause any great anxiety at present. The circumstances of these classes are such as to secure in normal seasons physical efficiency for the performance of agricultural work, though in the tracts classed as 'insecure' there is always a risk in the event of a failure of the rains that the more indigent class of the people may be overtaken by distress in various degrees and forms, and be deprived of the wages ordinarily provided by the agricultural operations on which in normal seasons they depend for their livelihood. There is evidence to show that in all parts of India there is a numerous population which lives from hand to mouth, is always in debt owing to reckless expenditure on marriages and other ceremonies, and in consequence of this indebtedness and of the fact of their creditors, the middlemen, intercepting a large proportion of the profits of agriculture, does not save, and has little or nothing to fall back upon in bad seasons. Nevertheless, in the majority of cases, there is no sufficient cause for the direct interference of Government.

"In one or two parts of the country, however, there seem to be grounds for anxiety. In Behar, it is believed that 40 per cent. of a population of 15,313,359 is in a state of agricultural degradation. The chief remedy suggested by the Government of Bengal is emigration. Emigration to the Colonies, to the tea plantations of Assam, and with far greater effect to the eastern districts of Bengal, already relieves, in a certain measure, the congestion of population in Behar, but the obstacles of climate and language and the risk to health in reclaiming land in Assam or Eastern Bengal have hitherto impeded emigration on a larger scale. In the North-Western Provinces and Oudh there is now no evidence of marked agricultural degradation, and even in districts such as Ballia, where the density of population is over 700 to the square mile, the fertility of soil which is the cause of the density of population secures general prosperity. Still the census figures, which show that in 21 districts there is a population of more than 500 to the square mile, suggest the inference that the time may not be far distant when it may be necessary to relieve over-population by some comprehensive scheme of emigration. This remark especially applies to the districts east of Lucknow. And although the Government of the North-Western Provinces and Oudh is of opinion that there is at present nothing which demands special action in those provinces, it recognises as the best corrective for local distress the emigration of the surplus population from one part of the country to another. In the rest of India, with the one exception of the Ratnagiri District in the Bombay Presidency, no precautionary measures of exceptional character seem to be immediately called for; so that in existing circumstances Behar is the tract which demands the chief and closest attention of the Administration. But, as before remarked, the inquiry which has been made and which has led to the above conclusion is only of a preliminary character, and must be supplemented by the careful analysis of agricultural tracts which was enjoined on Departments of Land Records and Agriculture in the Resolution of 1881."

The reports of the several Local Governments for their respective provinces, based upon full information supplied by European and Indian officers, were briefly as follows:—

Bengal.—(Population, 66½ millions in 1881),—

"The general result of the inquiry is that, in the greater part of the Lower Provinces, the industrious classes find no difficulty in supplying their primary wants, and are, as a rule, well nourished. Their prosperity is greatest in the eastern districts, and gradually diminishes as we carry the survey towards the west. It is not impaired by endemic disease, even where this has reduced the population, and left the survivors to some extent emaciated or enfeebled. On the contrary, the reports from districts so afflicted show that the inhabitants are somewhat better off than in the neighbouring tracts. But the signs indicating prosperity cease when we reach Behar, where, though the cultivators having holdings of a size sufficient to afford full occupation to their families are well-to-do, and the middle class enjoys exceptional comfort, wages are very low, so that those who depend for their living entirely or mainly on their daily labour earn a very scanty subsistence. The number of these labourers, including those who hold some land, is estimated at about forty per cent. of a population of over fifteen millions. The cause of the lowness of wages appears to be the multiplication of the labourers in a healthy climate, and under a social system founded on early marriages, up to the point at which employment can be found on the lowest terms consistent with the continued maintenance of families. This cause is of a permanent nature, existing social and climatic conditions remaining unchanged. Its effects would not be counteracted by any conceivable development of local industry, as such development could hardly progress in geometric ratio with the increase of population. Emigration can afford a sufficient and lasting remedy only if it be conducted on a large scale and continuously."

North-West Provinces and Oudh.—(Population, 44 millions in 1881),—

"In these Provinces the inquiry was made after a succession of bad seasons, when the gravest anxiety for the present, and apprehension for the future, existed. In these circumstances it might have been expected that the result of the inquiry would have been far from reassuring, but the North-Western Provinces and Oudh Government consider that the consensus of opinion is to the effect that the people are not generally underfed. * * * * * * * Even the artisan class live in comparative comfort."

"Sir Auckland Colvin, the Lieutenant Governor, disclaims optimist views, and points out that, when an officer speaks of the more indigent class of the people as being always on the verge of starvation, the meaning is not that they are living on insufficient food, but that they run the risk in view of a failure of the rains of losing employment, and consequently losing the means of obtaining food."

Madras.—(Population, 30¾ millions in 1881),—

"The Madras report is preliminary, and the inquiry will be continued. The opinions of the district officers are not supported by concrete instances, but in many cases they reflect the views of men who have for years observed the conditions of agricultural life in Madras. The conclusion of these officers, which is concurred in by the Board of Revenue and by the Madras Government, is that no considerable proportion of the population suffer from a daily insufficiency of food in ordinary years."

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"On the whole, it may be said that in ordinary seasons the lower agricultural classes generally get throughout the year a sufficiency of food, that is, food enough to maintain them in bodily health and strength and in full efficiency for labour."

Punjab.—(Population, 18¾ millions in 1881),—

"There are no grounds whatever for any anxiety as to the condition of the agricultural population in the Punjab in respect of food. The evidence given is of a very decided character. So long as men and women of the lowest classes marry young and have families, borrow money for expenditure which is unnecessary, and are content with a low standard of living, so long will periodical suffering occur, but the masses in normal seasons get as much to eat as they want."

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"Briefly it may be said that in the Punjab, in ordinary times, the greater proportion of the population does not suffer from a daily insufficiency of food; but in times of *unusual* scarcity, not amounting to famine and high prices, the poorer classes, whose standard of living is very low, are no doubt reduced to great straits, and do not get a sufficiency of food.

"Sir James Lyall, the Lieutenant-Governor, points to the physique of the people, to the high birth-rate and low death-rate, and to the rise in wages, and says that the *remedy* for congestion, when it occurs, lies in the construction of new canals."

Bombay.—(Population, 16½ millions in 1881),—

"With the exception of the Ratnagiri District, it may be said that the people of the Bombay Presidency are in fairly good circumstances. Even in the famine only 10 or at the outside 15 per cent. of the population showed the effects of pressure by death or resort to relief, and in the scarcity of 1885 relief works were scorned in Bijapur. One anna per head all told, or two annas a day for an adult man, is sufficient to provide food, and this wage can be earned everywhere.

"The Bombay reports are concluded by the summary prepared under the orders of the Governor:—

"'The causes of indigence and the localities in which it is to be found are well known. The early tribesman with his drink and indolence, the Deccan Kunbi with his uncertain seasons and danger of famine, the Konkani with his rugged country, poor soil, and swarming population—the existence and poverty of all these is recognised and felt for. Gigantic efforts* have been made, in many points crowned with success, to deal with their cases. In Gujarát we see the Kolis, in Thána the Thákurs, in Khándesh the Bhils, settling to cultivation. In the Deccan, railways and great irrigation works and special legislation for debt have been called in to give relief. The worst part of the Konkan has been explored by roads, and the enterprise of steamer companies has been attracted there. The post offices have enabled surplus earnings to be remitted with increasing ease and facility, and in annually multiplying amounts. The result is seen in more emigration, in cheaper clothing, higher wages, an evener distribution of wealth among all, including the lowest classes, and the gradual but sure diminution of distress and its localisation to the least civilized and accessible tracts of the Presidency. Every Indian administrator has recognised the poverty of the people of India. A man who supports life in the Bombay Presidency on two or three annas a day will be poor, but not so poor by half as the man who is called on to do so in England on a shilling, or what was once eight annas.'"

Central Provinces.—(Population, 9¾ millions in 1881),—

"There is no doubt in these provinces a great deal of poverty, but there is very little distress The people are well fed, and the only section of them who can be said to be hard pressed for bare subsistence are the hill tribes, who are but little more provident than the beasts of the forests, and have to undergo similar vicissitudes in daily food. The volume of wealth is rapidly increasing, and there is no lack of employment for those who wish for it."

Assam.—(Population, 4¾ millions in 1881),—

"The general conclusion arrived at for the whole province is that the questions raised by the Government of India (whether the lower classes of the people are suffering from an insufficiency of food or agricultural capital, and what remedies can be provided) need cause no anxiety whatever."

Berar.—(Population, 2½ millions in 1881),—

"In Berar real distress is practically unknown, and the labouring classes have attained a standard with which very few other parts of India can claim any comparison. They are generally well clad and in good case, and at their frequent festivals show a good deal of wealth in their attire."

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* Among these efforts are the measures taken under the Deccan Agriculturists Relief Act. It is interesting to note that the Judge, a Native of India, who presides over the proceedings taken under this Act, reports that the result of the past nine years has been the growth of thrift and self-help among the ryots, the decrease of mortgages of agricultural land, a reduction in the rate of interest, and a visible improvement in the condition of the ryots, or petty proprietors of land, in the districts to which the Act applies.

"The Vice-President of the Akola Municipality remarks that no people in Berar suffer from insufficiency of food throughout the year, and a Native Deputy Educational Inspector bears testimony to the fact that the lower classes get full meals and all the necessaries of life, and points to the total absence of beggars in the interior as another sign of the fair condition of the lower classes. A Native Extra-Assistant Commissioner and a Judge of the Small Cause Court at Amraoti further attests that there is, during times unaffected by famine, little dearth of ample food for the poorest in these tracts. He considers that the agricultural classes are particularly well off in all respects of bodily nourishment."

The foregoing extracts have been set out because they are the most recent opinions, formed after careful investigation by responsible and skilled inquirers, regarding the condition of the poorer classes of the people of India. The province of Burma was not included in the recent inquiry, presumably because it was known that the people of Lower Burma are well off, that the standard of wages and earnings is three or four times as high as the average of continental India, and that there are no poor in the province.

50. *Famine.*—Against famine, the greatest of all troubles that befall the population of India, the country is more fitted to contend than it was thirty years ago. Over many tracts of India the rainfall is occasionally short or unseasonable, and sometimes it fails altogether. Such a disaster causes loss of harvests and scarcity of food, deepening sometimes into famine. Happily, drought or famine never afflicts the whole of India at once, and prosperous provinces always have surplus food to spare for their suffering neighbours. During the past thirty years there have occurred the northern India drought of 1860, the Orissa famine of 1866, scarcity in the Upper Ganges valley during 1869 and 1878, drought in Bengal during 1874, and the great famine of south India in 1877. For the last ten years India has been exempt from serious drought or famine, though local failures of crops have occurred, such as would have caused much misery if improved means of communication had not enabled supplies of food to flow from surplus districts to meet the local scarcity.

It is quite certain that an Indian province and the Indian Administration are now better prepared to meet a famine than they were thirty years ago. Every province has its plan of relief organisation and of relief works thought out and sanctioned beforehand. Everywhere the urban and village organisation is stronger than it was. The crop area protected from drought by irrigation has more than doubled since 1857. Means of communication and food transport from province to province have been established, such as never existed before, while roads and carts for distributing food from railway stations have been multiplied. In the great south India famine of 1877, the most terrible Indian famine of which there is any authentic record, four railway lines were at one time carrying into the famine tracts 4,000 tons of food a day from the surplus of Bengal, Burma, Nagpore, and north India. This represented a day's meal for nearly seven millions of people. Not one tenth of this quantity could have reached the afflicted provinces, or could have been distributed in time, with the means of communication that existed in 1857. Without this outside supply of food, and without the great organisation specially provided for relieving the starving and the sick, there would have been a far greater loss of life in south India than actually occurred.

In one respect only is an Indian province less prepared to resist famine than formerly. Before railways were made and trade had increased, the surplus food of good harvests fetched very low prices, and used to be kept by the producers or by local dealers in underground or other granaries against a year of scarcity or until the stores rotted. Nowadays, the surplus is exported at once, and fetches the prices current in the markets of the outer world. And so, when a year of scarcity comes, the local reserve stocks of food are much smaller than they used to be. But the diminution of the reserve stocks is much more than counterbalanced by the increase of the irrigated area which yields a crop even when the rain fails, by the great extension of cultivation and of the food surplus—an extension caused by the export demand,—and by the railways, which transport surplus food from prosperous provinces to drought-stricken districts.

Notwithstanding all that has been done many parts of India are now, as heretofore, liable to famine. For a series of years the Indian Government

set aside 1½ millions from the yearly revenue to meet famine relief expenditure in future years. No surplus at present exists, but 7¾ millions have already been made available for this purpose; and it is intended to resume the arrangement and to set aside Rx. 1,000,000 annually as soon as circumstances permit. When famine or scarcity comes, no effort and no expenditure will be spared to save life and relieve distress; in most cases such effort will, it is hoped, be successful, but a country like India, with a vast population, of whom a considerable section possess neither credit nor savings, can hardly be carried through a widespread and severe famine like that of 1877 without much suffering and some loss of life.

Local Self-government.

51. *Municipalities.*—Before the mutiny era, local committees had been formed in the districts of some provinces, and in parts of India the town panchayets (councils of five elders) still survived. But these bodies were consultative only. The members were nominated by the Government, and the final control of local affairs, town improvements, district roads, public schools, hospitals, and port improvements was entirely in the hands of Government officials. Since 1860 laws have been passed for every province of India, under which urban affairs are placed in the hands of local bodies, the members of which are in large places mostly elected by and in small places mostly nominated from among the townsfolk. The municipal bodies, subject to the law and to the general control of the Government, raise funds or receive grants of public money for local purposes. They are responsible for the sanitary improvement, the hospitals, the streets, the lighting, the schools, and in fact for all local affairs in their towns. As yet, the ratepayers in towns do not, for the most part, take much interest in the election of their representatives, though in some few places municipal elections have been keenly contested. A seat on a municipal board is, however, generally recognised by the people as an honourable and useful post, though it carries no emoluments and much responsibility.

There are now in India 720 municipal towns, containing a population of 14 millions. Out of 7,193 members of municipal bodies 3,481 were elected. The municipal franchise is usually given to any town that cares to exercise it, and, wherever municipal committees are elective, the elected members are never less than half of the whole body. Municipalities during 1886 controlled an expenditure of Rx. 3,569,000, out of which Rx. 1,968,000 were raised by taxation, Rx. 1,237,000 from sources other than taxation, and Rx. 452,000 by loans for specific works of water-supply or drainage. Of the total expenditure 34 per cent. was devoted to hospitals, vaccination, water-supply, and other sanitary improvements, and 23 per cent. to streets, roads, and other works for the public convenience or safety. There is still very much sanitary work to be done everywhere, but in some of the large towns a great reduction has already been effected in the death-rate as it existed 15 or 20 years ago. A valuable beginning has been made in local self-help and self-government, and much local interest has been evoked in local affairs. The law provides that, in case of grave neglect or mismanagement, the Government may intervene and take specific local affairs out of the hands of any local body, but during the past five years the extreme step of actual intervention has been taken in the case of one municipality only. The Government and its officers habitually afford help, advice, control, and even admonition to any municipal bodies that may seek or require such aid.

52. *District Boards.*—The local boards, to which is committed the duty of self-government in rural tracts, are mostly of more recent creation than the municipal bodies. But in all the larger provinces, except Burma, there are now local bodies for each district, with subordinate boards for sub-districts, and to those boards have been, or are gradually being, transferred the management and expenditure of all public funds available or raised for district roads, schools, hospitals, and sanitary improvement.

In the Madras Presidency the district boards, established in 1871, are efficient. In Bengal the road cess committees have been merged into district boards, with wider powers and more popular constitution than before. In the North-West Provinces the constitution of the district boards is more

representative than elsewhere, and there the system is as follows: For each of the 206 sub-districts (or tahsils) in those provinces was chosen by the chief civil officer of the district, in the way he found most suitable, an electoral body of from 25 to 100, and averaging 63 persons; this electoral body represented all classes of residents and of property in the sub-district; the electorate so constituted then chose 6 to 12 members, who compose the local board, and who sit upon the district board with all the members from other sub-districts. The average number of members elected to each district board was thirty, and to each board eight additional members were nominated by the Government. Every sub-district board must elect its own chairman, and every district board may either elect or leave the Government to appoint its chairman. The electoral body thus constituted in the North-West Provinces appear to have appreciated their duties, for out of 13,080 electors, 9,148, or 72 per cent., travelled to the poll and recorded their votes. So far, the district and sub-district boards seem likely to discharge their duties with advantage to the districts they represent, and with credit to themselves. They have the advantage of the co-operation of European and Native officials. Eventually these boards will have, all over India, the control of local funds amounting to about Rx. 3,000,000.

53. *Port Trusts.*—For the management of harbour affairs at the chief seaports trusts have, since 1860, been constituted by law; and on each of these port trusts sit European and Native representatives of the trading and shipping interests, as well as two or three Government officers. The port trusts manage the docks, the harbour lights, the wharves, the pilotage, the port police, and all port affairs; but they cannot borrow money, or impose dues, or undertake great works, without the previous sanction of the Government. The several port trusts have performed their duties to the satisfaction of the trading communities and of the Government. The wharves and docks at Bombay are, and those at Calcutta shortly will be, fully up to the standard of modern requirements; ample wharves have been provided at Rangoon; important harbour improvements have been executed at Karachi; the Madras harbour works which are still in progress have not yet been successful by reason of the physical difficulties of the situation. Meanwhile, the port and harbour charges are almost everywhere much lower than they were; at some ports they are less than half what they were when the trusts were first constituted; and the works executed from borrowed money yield a net revenue which suffices to meet the interest on the capital, and to pay off the capital itself within a moderate term of years.

Political Relations and Native States.

54. *Political Relations.*—In 1857 India had frontier relations with Siam, Ava, Bhutan, Tibet, Nepal, Afghanistan, Turkish Arabia, and Persia. Since that time India's relations with Siam, Nepal, Turkish Arabia, and Persia have been peaceful and satisfactory. Prolonged unfriendliness and breach of treaty on the part of the King of Ava brought on the third Burmese war, which in 1886 resulted in the incorporation of Upper Burma with the Queen's dominions. In 1864 war had to be made on Bhutan, which had harried British territory, maltreated a British Envoy, and refused reparation; the war resulted in the cession of certain submontane tracts to the British Crown; since that time British relations with Bhutan have been peaceful. With Tibet, a vassal of the Chinese Empire, India has had scanty relations, diplomatic or commercial; during the past year Tibet invaded the territory of a British feudatory State, and, as the Tibet authorities would not yield to friendly representations, the invaders had to be driven out by force. The Ameers of Afghanistan have thrice visited India as guests, once in 1856, once in 1869, and once in 1885; but in 1878 the unfriendliness of the Afghan ruler caused the third Afghan war, during an interval in which the British Envoy, with his escort, was massacred at Cabul. Since 1881 India's relations with the Ameer of Afghanistan have been friendly. The annexation of Upper Burma has made India conterminous with China, and the authorities of that Empire have regarded the British occupation of Burma

in an amicable spirit. In 1857 the boundary of Russia was on the Caspian, the eastern shore of which is about 1,000 miles from the Indian frontier; now Russian posts have advanced some 570 miles nearer, and have reached the confines of Afghanistan. During the last two years an Anglo-Russian Commission has settled and demarcated the north-western frontier of the Afghan territory from the frontier of Persia to the Oxus.

55. *Native States.*—The condition of many of the feudatory States in India has materially improved, and their relations with the British Government have been placed on a firmer footing during the past thirty years. Soon after the mutiny documents were given in the Queen's name to all ruling Native Princes, whereby they were granted power to adopt heirs and successors, on condition of loyalty to the British Government. By these grants a grave cause of anxiety was removed from the minds of Native Chiefs, who in previous years had seen States lapse to the British Government on the failure of direct heirs to the throne. It was seen also, in the case of Tonk and Baroda, that, when reigning Chiefs had to be removed for scandalous misgovernment or for grave crimes, their countries were not annexed, but new rulers of the old families were placed by the British Government on the vacant thrones. The rendition of Mysore to a Native Prince, after fifty years of British administration, showed that no Native State would be annexed to British India so long as annexation could be avoided.

Almost all the great Chiefs had adhered loyally to the British during the mutiny crisis; but after 1860 the loyalty of Indian Princes ceased to be tinged with any fear of annexation. Since that time the Chiefs have cordially co-operated with the British Government in placing the administration of the salt tax and the opium duty on an improved footing; they have, in many States, acted on the advice and example of the paramount Power, by abolishing transit duties, by improving their judicial and revenue administration, by maintaining order, by constructing roads, railways, and irrigation works, by promoting education, and by establishing hospitals. In most of the States of Rajputana, of the Punjab, and of Bombay, Hyderabad, Mysore, Travancore, Cochin, some of the Central India States, Cooch Behar, and other minor chiefships, the cause of good government has made important advances; the Chiefs of these States keep their expenditure within their revenues, which have increased greatly during the past thirty years; some of them have large reserves either in cash or in the securities of the Indian Government; and many of them spend a large share of each year's revenue on works of material improvement. These good results are due in part to the good sense of the Chiefs themselves and of their ministers, but they are also greatly due to the peace secured, the example set, and the control exercised by the British Government.

Among the scores of Native States with a total population of sixty millions, there are some, no doubt, in which the people are overtaxed, in which order is not maintained, and in which the Chiefs live beyond their incomes. In most States also good government and the happiness of the people rest too much on the personal qualities of the ruler for the time being. Still, in the main the feudatory States of India have made real and steady progress in good government during the last thirty years. Notable proofs of their loyalty to the British Crown were given in 1884, and again in 1887, when the great Native States pressed the Indian Government to use their troops and to accept their money for the purpose of repelling or preventing attack upon the north-west frontier of India. In 1857, and again in 1879, the Punjab States sent troops into the field to fight under the British flag; and in 1858 a Nepal contingent gave valuable aid in quelling the rebellion in Oudh. But no general and spontaneous offer of the swords and treasure of Indian Chiefs was ever made to the British Government until 1884 and 1887.

Army.

56. *Army.*—At the end of 1856 the Indian Army consisted of 40,000 European soldiers and 215,000 Native soldiers, besides 32,000 men in contingents paid by and serving in Native States; at that time a large proportion

of the Indian Artillery consisted of Native gunners. The present Army of India consists of 72,000 European and 152,000 Native soldiers, including all the regular contingents on the Indian Establishment but serving in Native States; and out of 103 batteries of artillery 88 are manned by Europeans. Tho armament of the troops has been changed from smooth-bore muskets to breech-loading rifles, and the British field artillery is being armed with 12-pounder breech-loading rifled guns instead of 6 and 9-pounder smooth-bore muzzle-loaders. Railways have made the concentration and mobilization of troops within India or on her frontier ten times easier than it was in 1857. A regular transport service has been created, and a supply of animal carriage, of hospital servants, and other field establishments, sufficient to place a large army in the field, has been sanctioned, and is being organised,

Officers and men, arms and horses, ammunition and *matériel*, commissariat and land transport, barracks and fortifications, all cost more than they did before the mutiny; while, therefore, for the year 1856 the cost of the Indian Army was Rx. 12,750,000, for the year 1887–88 the estimated charge is no less than Rx. 20,460,000, including certain temporary expenses in Upper Burma and the loss by exchange on home charges; there is also a charge of Rx. 1,850,000 for military works, including special defences. The course of recent events has compelled the Government to increase the efficiency and strength of the Indian Army, as well as to augment the defensive works of the Empire; but within the borders of India the need for troops is less than it was; the peace of the oldest provinces is secured by a moderate garrison,—for instance, Bengal, with a population of 70 millions, has a military garrison of under 7,500 soldiers, of whom nearly half are for the defence of Calcutta. Among the more important changes in army organisation within the past thirty years have been the amalgamation of the Indian Armies with the British Army, the formation of the Indian Staff Corps, and the alteration in the regimental system of the Native Army. Before the mutiny a regular Native regiment had an establishment based on the system obtaining in British regiments with European company officers, while the irregular regiments had from three to four European officers only, with Native troop and company commanders. Under the later organisation, which is a modification of the former irregular system, every Indian regiment, with a few unimportant exceptions, has nine European officers, the Native officers having become company and troop commanders and subalterns. The proportion of soldiers drawn from unwarlike races had been greatly reduced, while the proportion of Goorkha regiments and of soldiers from the martial races of northern India has been increased. It is not necessary to recite here all the measures taken to promote the efficiency of the Indian Army, but it may be mentioned that the health of the troops has been greatly improved by better barrack accommodation, by quartering a far larger proportion of European soldiers at hill stations, and by careful sanitary precautions. For many years before the mutiny the average death-rate among European troops in India was 69 per thousand, and among Native troops 20 per thousand; during the four years ending with 1886 the death-rate has averaged 13 per thousand among European and 12 per thousand among Native troops.

The military position in India has been strengthened by the enrolment of 17,000 volunteers of European blood, of whom 14,000 were reported efficient at the end of 1886. A reserve force of Native soldiers who have passed through the ranks is also being organised, and the men of the reserve force will be liable to rejoin the colours in case of need.

57. *Conclusion.*—The Court of Directors claimed in 1858 that their government of India had been "not only one of the purest in intention, but one of "the most beneficent in act, ever known among mankind; that . . . . it "had been one of the most rapidly improving governments in the world." It may fairly be claimed that, during the thirty years of government under the Crown, progress has been more rapid in India than during any previous period of the same length, and that the intentions and actions of the Government have been as much for the benefit of the Indian people as in the time

of the Court of Directors. The polity, the progress, and the requirements of India have been investigated by competent critics of many nations, and the general verdict has been that, despite mistakes and shortcomings such as are inseparable from human effort, the administration of India by the Crown has been an earnest and fairly successful attempt to solve political, social, and material problems of much difficulty and complexity.

India Office,
February 1889.

PREFACE

TO THE

THIRTIETH STATEMENT

OF THE

MORAL AND MATERIAL PROGRESS AND CONDITION

OF

INDIA.

In February 1889, was presented to Parliament a Memorandum on some of the results of Indian Administration during the 30 years that had elapsed since India came under the direct control of the Crown. That account brought matters down to the year 1888; and it is proposed now to review briefly such further progress and such changes as may have been made during the six years ending in the month of March 1894.

General.—At the outset it may be well to recall what was said in 1889, that "India is not a single country with a homogeneous population. India is, in truth, a congeries of countries, with widely differing physical characteristics. It contains a number of peoples, speaking many languages, holding many creeds, observing different customs, and enjoying divergent degrees of civilisation. It is difficult, therefore, to speak correctly of India as a whole; and statements that may be quite applicable to some provinces do not apply to other provinces or sections of the country." During the six years, from 1888 to 1894, India has been free from war, and has not been visited by famine. On the hilly frontiers of Assam, of Upper Burma, of the Panjab, and of Biluchistan, expeditions and small bodies of troops have been employed in securing or restoring peace among frontier tribes: the year 1890–91 was darkened by a disaster and short expedition in Manipur; temporary scarcity and pressure on the people was caused by partial failure of the crops, in two northern districts of Madras during 1889, in nine districts of Madras during 1891, in three districts of North Behar, in Rajputana, and in the hill tracts of Kumaon during 1892, and in the Sangor territory during 1894. Relief works, suspension of the revenue demand, and gratuitous relief, in accordance with the Famine Code, sufficed to carry the poorer classes of those regions through the temporary distress caused by these local failures of the harvests. Neither the Frontier Expeditions, nor the partial scarcities had any broad or lasting effect on the welfare of the people. The loss of life caused by expeditions was small, and the stoppage of increase of population due to scarcity was inconsiderable. The cost and loss of revenue due to warlike operations and to scarcity was not large. The census of 1891 showed that, apart from the inhabitants of the recently-acquired territory of Upper Burma, and apart from the people of Kashmir who had not been counted in 1881, the population of India had increased during the ten years 1881–91 by 28 millions or 11 per cent.; and the population of Southern India had more than recovered the losses caused by the great famine of 1877. Including new territory, the British Empire in India and its feudatories contained in 1891 a population of 287 millions, as compared with 254 millions in 1881, and 236 millions in 1871.

The years 1888–92 were not years of plenty, prices of food ruled higher than in the previous decade, and in some provinces the labouring classes were at times pinched. But during 1893 and 1894 harvests have been generally bountiful, and prices have fallen. In the Panjab and Burma, two provinces which produce a large surplus of food beyond their own requirements, prices in 1894 ruled lower than they had done for many years past.

ADMINISTRATION.

Administrative Progress.—No changes have been made in the constitution of the supreme or local Governments in India during the past six years. The province of Upper Burma has been pacified, and is now as quiet and well ordered as Lower Burma; while the deficit between revenue and expenditure in the new province has been reduced from Rx. 2,618,000 in 1887–88 to Rx. 1,082,009 in 1893–94. The strength of the military police force, which was raised to quell disorder in Upper Burma, has been reduced from 18,000 to 12,000 men; and this force has undertaken the duty of maintaining order among the hill tribes on the borders of Burma. The pacification of Upper Burma has contributed to the prosperity of Lower Burma, which yielded a surplus of revenue over its civil expenditure of Rx. 2,098,000 in the year 1892–93, as compared with Rx. 1,374,000 in the year 1887–88. For the rest, the administration of British India and of Native States has proceeded on the lines existing in 1888.

Legislative Councils.—The most important constitutional change introduced was the enlargement of the Legislative Councils and the extension of their powers. At pages 2 and 3 of the present Statement will be found a detailed account of the changes which have been made in pursuance of the Indian Councils Act of 1892. Briefly, the number of additional members on each of the five Legislative Councils has been considerably increased, and stands now at from 8 to 20, of whom the majority are non-officials. A considerable proportion of the additional members are elected representatives of local bodies. For instance, five members of the Governor General's Council are elected by the non-official members of the four Provincial Councils, and by the Chamber of Commerce; on the four Provincial Councils from six to eight members are representatives, chosen by local bodies such as Municipal Corporations, District Boards, Chambers of Commerce, and University Senates. Before 1892 the Legislative Councils of India were able to discuss only such legislative business as might be placed before them; they are now empowered to discuss the annual financial statements made by the Government; and members are at liberty, at any meeting of the Council, to put questions to the Government on any administrative, judicial, fiscal, or other question concerning the Empire or the province, subject to certain limitations in regard to matters that cannot be discussed consistently with public interests. Representative members of the several Councils have already availed themselves freely of the power thus to put questions to the Government on subjects of public or local interest and importance.

Information about India.—The census of 1891 was more complete and correct than any former operation of the kind, and the census reports for India and the several provinces have added materially to the stock of information concerning India. A dictionary of the economic products of India, compiled by Dr. George Watt, has been published, bringing together in a convenient shape all that is known about India's products. Agricultural statistics regarding the Province of Bengal had heretofore been wanting, but have been made available since 1890. The investigations and reports by a Royal Commission on Opium in India; by a Commission on Ganja and Hemp Drugs; by a Commission on Leprosy; by an expert agricultural chemist (Dr. Voelcker) on the improvement of Indian agriculture, have resulted in much accurate information and many valuable suggestions for the guidance of Indian authorities on these subjects. The cost of the Opium Commission was defrayed by the British Treasury, and of the Leprosy Commission by private benevolence. Gradual further improvement has taken place in collecting and making public information concerning the trade, the vital statistics, the meteorological phenomena, the crops and the crop prospects in all parts of India.

Employment of Natives of India.—In accordance with recommendations made by the Public Service Commission, arrangements have been made whereby a proportion of the posts hitherto reserved for the superior civil service, of the posts in the superior forest service, of the superior posts in the engineering service, and of the posts in the Survey Department, have been set apart for members

members of the provincial civil service, which will be recruited more or less exclusively from Natives of India. In illustration of the way this arrangement will work, it may be stated that out of 162 superior executive and judicial posts in Bengal, and 159 similar offices in the North-Western Provinces, 20 and 21 respectively are to be reserved for men of the provincial service. In the forest department, out of 196 superior offices 40 are to be reserved for the provincial service. Some time must elapse before all the posts allocated to the provincial service are filled by officers belonging to the service. At the present time (April 1895) there are in the superior civil service of the province of Bengal 194 officers in all, of whom 22 are natives of India; while in that province 14 of the superior civil offices (district judgeships, collectorships, or chief executive offices of districts, and higher posts), besides three high court judgeships, are filled by natives. In April 1888 the corresponding figures were 213 members of the superior civil service, of whom 18 were natives, while 7 superior offices of the grades mentioned and two high court judgeships were filled by natives. Thus the employment of Natives of India in the more important offices of the Government is being extended, and will be still further developed when the provincial service scheme takes full effect. The subordinate civil service is, in most parts, recruited exclusively from natives of India, save in the police, survey, salt, opium, and financial departments, where European subordinate agency is still, to some extent, employed. A subsequent paragraph describes how the people and their representatives are, under the law, administering municipal and local affairs.

LAW AND JUSTICE.

Legislation.—No important additions have been made to the Indian Code during the six years. Most of the new enactments have related to local and municipal matters, to administrative affairs, or to special tracts like Upper Burma, for which regulations on many subjects had to be framed. Among the Acts passed by the Supreme Legislature were the Merchandise Marks Act, the Indian Ports Act, a Guardian or Wards Act, a Prisons Act, two Tariff Acts, and consolidating or amending Acts relating to Municipalities in the Panjab, Burma, and the Central Provinces, to Railways, to the Acquisition of Land for Public Purposes, to Burma Courts, to Indian Ports, and to Inland Emigration. The Bengal Legislature passed a Calcutta Municipality Act, besides an Assam Emigration Act, a Fire Brigade Act, and Acts relating to Revenue arrangements, and other local matters. The North-Western Provinces Council enacted no laws for four years, and then passed Acts relating to Town Waterworks, to Village Sanitation, and to Town Lodging-houses. The Madras Council passed a new Madras Municipal Act, and Acts relating to Local Boards, to Village Petty Judges (Munsifs), and to Village Officers. The Bombay Council passed a Bombay Municipality Act, two Village Sanitation Acts, and a District Police Act. Discussion was keenest over the Municipal Acts, the Factories Act, and the Land Acquisition Act. Representative members took an active share in the business of the several Legislatures, as critics of Government measures, as spokesmen for provincial and local interests, and very rarely as proposers of new laws.

Civil Justice.—The judges of civil courts of first instance are now almost everywhere natives of India, and so also are many of the appellate civil judges. For the rest, no considerable changes have occurred in the organisation or procedure of the civil courts. The total number of civil and revenue suits before the civil courts of original jurisdiction increased during the six years from 1,908,869 (in 1886) to 2,114,592 (in 1892); and the total value of the property in litigation had risen from Rx. 20,173,000 to Rx. 22,864,000. The largest increase was in suits under the Rent Laws, which rose from 471,000 to 584,000; suits for money and moveable property increased from 1,164,000 to 1,219,000; suits on unwritten contracts fell from 175,000 to 163,000, a decrease which evidences somewhat increased care on the part of both borrowers and lenders. Suits connected with marriages and matrimonial rights rose in the six years from 5,250 to 7,948, of which latter number 5,363 cases pertained to the Panjab, the only province in which such cases are rife. The average duration of contested suits fell from 117 to 81 days, and of uncontested suits from 52 to

41 days. The proportion of cases decided without contest increased from 75 per cent. in 1886 to 78 per cent. in 1892; and the total number of cases referred, with consent of the parties, to arbitration, fell from 8,549 to 7,210. The number of appeals from decrees rose from 138,000 to 147,000; while the number of decrees modified, reversed, or remanded, was 32,969 in 1892, against 33,248; thus the proportion of appeals in which the original decision had to be altered fell from 24 per cent. to 22 per cent. in 1892.

Police.—Much attention has been given to the improvement of the police during the past six years. The military police of Burma have been organised and turned into an efficient force for quelling disorder, guarding the border and repressing rapine among hill tribes on the frontiers.

In Bengal, in the North-West Provinces and in Bombay, investigation has been made into the working of the police; the strength of the force has been increased; and the scales of salaries have been revised, so as to improve the position and the calibre of the more responsible Native officers. The numbers of the ordinary police in India have risen from 142,000 in 1886 to 150,000 in 1892, and the cost from Rx. 2,377,000 to Rx. 2,699,000; 7,883 of the additional men, and Rx. 168,000 of the increased cost, are on account of the Upper Burma Police, who do not appear in the figures for 1886. These figures are exclusive of the military police in Lower and Upper Burma, which are 15,000 strong, and cost Rx. 510,000; this military police force has been organised since 1886. The number of superior officers, belonging, so to speak, to the commissioned ranks, in the ordinary police, rose from 372 to 414, of whom 28 were natives of India.

Besides the regular police there are the village watchmen, or village police, who, under different names, are found in all parts of India. In several provinces attention has recently been directed to organising the village police, improving their efficiency, and enabling them to be more useful to the community and to their neighbourhoods.

Crime.—The number of reported cases of cognizable crime (that is, crime for which the police can arrest without warrant) for all India was 637,000 in 1886 and 734,000 in 1892; of this latter total 13,000 cases pertained to Upper Burma. The reported cases of offences of the more serious kinds, and the results of police action, varied as follows:—

	Number of Cases.		Number of Convictions	
	1886.	1892.	1886.	1892.
Murders and attempts at murder - -	2,687	3,348	897	1,128
Grievous hurt, and by dangerous weapons -	10,347	11,751	4,825	5,246
Gang robbery and robbery - - -	2,701	4,302	814	1,411
Cattle theft - - - - - -	20,350	24,293	6,547	8,489
House-breaking and house-trespass - -	113,567	141,829	15,965	18,034
Theft - - - - - - - -	151,495	159,503	46,855	53,289
Rioting, &c. - - - - - -	6,536	6,608	3,099	3,248

	1886.	1892.
	Rx.	Rx.
Value of property stolen - - -	879,000	973,000
Value of stolen property recovered -	285,000	301,000

Part of the increase in crime was due to the inclusion of figures for Upper Burma in the later year; the year 1892 was also a season of high prices for food in many parts of India. The recent fall in prices did not begin until the spring of 1893.

Criminal Justice.—No important change has taken place in the procedure or working of the criminal courts. An increasing share of criminal business falls upon Native Indian magistrates; and petty offenders, especially in cases of breach of municipal and sanitary regulations, come largely before honorary magistrates

magistrates and municipal benches. The criminal business coming before the courts and the results of the action of the courts at the two periods may be thus shown :—

	1886.	1892.
Number of persons brought to trial	1,852,572	1,639,734
Number of persons discharged or acquitted	649,523	771,615
Number of persons convicted or committed	677,685	816,625
Number of persons sentenced to death	343	429
Number of persons sentenced to transportation	2,565	1,596
Number of persons sentenced to imprisonment for over two years.	4,976	6,473
Number of persons sentenced to imprisonment for over six months and not over two years.	23,550	33,007
Number of persons sentenced to imprisonment for over fifteen days and not over six months.	79,363	92,731
Number of persons sentenced to imprisonment for fifteen days and under.	28,513	33,007
Number of persons sentenced to fine	492,625	600,808
Average of fine imposed	6·1 rupees	6·3 rupees
Number of persons sentenced to whipping	12,751	17,951
Number of persons who appealed against sentence	112,241	150,968
Number of persons who obtained reversal or reduction of sentence on appeal.	23,437	32,429

Jails.—Much attention was given during the years 1888-94 to jail affairs; in March 1894 was passed an amended Prisons Act, extending to the whole of British India, and laying down general principles and rules as to the discipline, employment, separation, and punishment of prisoners, and as to the duties of prison officials. Much care has been taken to improve the health of prisoners, more especially in those provinces which had been most unhealthy. The average death-rate in jails all over British India was 33 per 1,000 in 1886, was up as high as 36 in the years 1887 and 1889, and came down to 24 per 1,000 in the year 1893, which was an unusually healthy season over the greater part of India. The prison death-rates in India, which in some provinces mount as high as 60 or 70 per 1,000 in unhealthy years, are high compared with similar rates in Europe, or with the death-rate among the adult free population. But improvement is gradually being attained, and prison life in the tropics is naturally subject to many risks; in the colony of Ceylon, for instance, the death-rate among prisoners was 54 per 1,000 in 1892 and 56 per 1,000 in 1893, yet during the latter year the health of the prisoners in the island is said to have been "on the whole satisfactory." The following figures compare the more important prison statistics for all India during the years 1886 and 1893:—

	1886.	1893.
Total number of district and central jails	236	239
Total number of prisoners received during the year	440,090	547,132
Daily average number of prisoners	75,978	94,964
Of whom were males	73,081	91,976
Of whom were females	2,897	2,988
Number of prisoners who died during year	2,530	2,150
Ratio of deaths per 1,000 of average strength	33·34	24·30
Percentage of previously convicted prisoners on total number	11·72	12·25
Average number of sick daily	2,431	3,161
Average daily number of prisoners employed on jail duties, making jail requirements, and jail buildings	29,730	40,135
Average daily number of prisoners employed on manufactures	25,903	33,829
Average daily number of prisoners employed on public works	3,473	4,994
Average daily number of prisoners employed on unremunerative labour	1,985	1,581
Total number of jail offences committed by prisoners	81,327	134,284
Number of whippings inflicted for jail offences	3,094	1,892
Total expenditure on jails, exclusive of new buildings	Rx. 475,988	Rx. 570,202
Total yearly cost per head of daily average strength	Rupees 62⅔	Rupees 60
Average cash earnings per head by manufactures	Rupees 15	Rupees 16
Average net cost per head of daily strength	Rupees 47⅓	Rupees 44

REVENUE.

Land Revenue and Surveys.—There has been no material alteration in the land revenue or tenancy laws during the past six years. In all provinces cadastral surveys and resettlements of land revenue have been prosecuted. In the Panjab, North-Western Provinces, and Bombay the resettlement of several districts was effected after the conclusion of the previous 30 years' settlement; in Madras and Lower Burma the first regular settlement was extended to a small number of fresh districts; in Assam the revenue rates, which had stood unchanged for 26 years, were revised; in the Central Provinces the first regular settlement expired and resettlements were either completed or begun in every district; in Oudh resettlements were begun towards the close of the six years. In nearly all these tracts the revised settlement was based either on a new cadastral survey and register of all revenue-paying lands, or on the village records, where these documents were found, after revision, to afford sufficiently correct data for the settlement. In Oudh the resettlement is being based on the ascertained rentals enjoyed by the landlords, so as to avoid, as far as possible, harassment to the people. In all temporarily settled provinces arrangements have now been completed whereby the village land records will be revised accurately and scientifically, year by year, so that in future generations a resettlement of the land revenue will be feasible without large outlay or long delay, and without inconvenience to the rural community. The cost and duration of resettlements has been greatly reduced everywhere, and has throughout the Central Provinces cost less than Rx. 10 per square mile, as compared with Rx. 45 at the previous survey and settlement of 1860–69. In the permanently settled districts of Behar a beginning was made with a cadastral survey and record of rights, in order to safeguard the ryots in their rights which had been recognised by the Bengal Tenancy Act of 1886. Some opposition was offered by the landlords to this measure, which may cost over Rs. 32 per square mile, and will be, for the most part, a charge upon the people of the tracts interested. A revised cadastral survey was finished during the year 1889 over the five permanently settled districts of the Benares province. This survey was undertaken not for revenue purposes, but to secure the landed rights of the five millions who inhabit these districts; the cost of the survey and record of rights came to Rx. 44 per square mile. Apart from the permanently settled districts of Bengal and Madras correct cadastral surveys and records of rights have now been made for all India, except Upper Burma, Orissa, and Malabar, in which provinces the work is now proceeding. Under the system, which has been established for correcting and maintaining the cadastral records year by year, it is hoped that necessity for another cadastral survey of these vast areas will never arise again.

The Great Trigonometrical Survey, which gave the geodetic basis for all the surveys of India, has been extended to Upper Burma, and is now practically complete. During the past six years topographical and exploration surveys have been extended over between 250 and 300 thousand square miles of country in Upper Burma, in the Shan States, in the deserts of continental India, in the Himalayan regions, and in tracts beyond the administrative borders of India; and great additions have been made to our geographical material. The geological survey has continued its scientific work, and have filled up sundry gaps in the geological map of India. During the past years their attention has been mainly directed to economic geology. Officers of the survey have investigated and reported upon the coal out-crops of Burma, Darjeeling, the Panjab, Baluchistan, and the Deccan; upon the petroleum fields of Burma, of Assam, and Baluchistan; upon the tin mines of Lower Burma; upon areas reputed to contain gold in the Deccan, Southern India, Chota Nagpur, and Upper Burma; upon the amber and jade mines of Upper Burma. The Marine Survey vessels and boats have effected revised surveys of many parts of the Indian coasts where the land changes, besides verifying channels and reputed dangers in the Indian Seas.

The gross collections of land revenue rose from Rx. 23,653,000 in 1887–88 to Rx. 25,589,000 in 1893–94. Out of the increase of Rx. 1,936,000, a part, namely, Rx. 274,000 accrued in Upper Burma, and was due to the pacification of that province. The rest, Rx. 1,662,000, was due to extensions of cultivation and

and to revisions of revenue rates at periodical resettlements. It happened that in the Central Provinces, Assam, and Bombay, an unusually large number of long term (30 years) settlements expired and were renewed at enhanced rates during the six years 1888-94. The justification for these enhancements was that prices of produce had risen, or that cultivation had been extended, or that both these phenomena had occurred, during the period for which the previous settlement had lasted. It was stated with confidence by the Government that over the province of Chutteesgurh, where the enhancement of land revenue at the recent settlement were proportionately greater than in any other part of India, the rental paid by the ryots * "averaged no more than 5 per cent. of the gross produce of the land." The Government revenue and the local cesses in Chutteesgurh do not exceed two-thirds of the rental; so the revenue alone cannot at most amount to 4 per cent. on the value of the produce of that province.

Salt Revenue.—There has been no alteration in the rate of the salt duty since January 1888, when the rate was fixed at 2½ rupees per maund (about 82 lbs.) for all India, except Burma where the rate is one rupee per maund. The changes in the methods of administering the salt revenue have been as follows:—in Orissa the management of salt affairs has been transferred from the Bengal to the Madras authorities, but the transfer has not, so far, yielded satisfactory results; in Madras a number of Government salt factories have been established, with the result of nearly doubling the reserve stocks of salt and reducing the cost price of salt (exclusive of duty) by over 30 per cent.; at the Rajputana salt sources the cost price of salt (exclusive of duty) was brought down to 2½ annas a maund in 1892, though in 1893 it rose considerably by reason of the wet weather which prevented the manufacture of salt.

The consumption of and revenue from salt in India have been:—

	1887-88.	1888-89 (First year of the enhanced duties.)	1893-94.
	Maunds.	*Maunds.*	*Maunds.*
Total consumption of salt - -	33,627,000	31,916,000	34,029,000
Total revenue from salt - - -	6,361,000	7,578,000	8,229,000

The salt revenue of 1893-94 was considerably (4 per cent.) below that of the previous year, partly by reason of the bad season for salt manufacture in Rajputana, and partly because unusually large sales were made in Madras on the credit system. The rate of salt consumption per head of the population shows, as in former years, great variation in the different provinces, ranging for 1893-94 from 17½ lbs. per head in Burma, 16¾ lbs. in Madras, 11⅓ lbs. in Bombay, to 10¼ lbs. per head in Bengal, and about 8 lbs. in the North-Western Provinces. Over the whole of British India, the average incidence of the salt tax is 4¾ annas (or about 4*d.*) per head of the population. It will be recollected that about 275 millions of the people of India consume salt that has paid duty to the British Indian Exchequer, including not only the population of British India, but also the greater part of the inhabitants of Native States. The salt tax is practically the sole contribution made to the State Exchequer by a humble Indian villager, who holds no land, consumes no spirituous liquors or narcotic drugs, and abstains from litigation.

Opium.—The period from 1888 to 1894 has seen a succession of bad opium harvests. The area growing opium in the Gangetic plain, which was 595,000 acres in 1886, and 537,000 in 1888, fell to 474,000 in 1893, of which area 20,000 acres failed to yield any crop; and the number of chests of opium manufactured was 40,505, as compared with 74,325 chests in 1888. The number of chests

* *See* speech of Sir Anthony MacDonnell, Member of the Viceroy's Council, at meeting of the Indian Legislature on the 28th March 1895 (page 290 of the Supplement to the "Gazette" of India dated 6th April 1895).

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chests of Malwa opium, brought from Native States for export from Bombay, also fell from 37,214 in 1887–88 to 26,675 in 1893–94. In consequence of this shrinkage of production, the exportation of opium from India, which in 1879–80 had reached 105,508 chests, fell from 90,096 chests in 1887–88 to 70,841 chests in 1893–94. The reserve of Bengal opium in Calcutta which had been created in order to maintain the yearly sales at a steady level, has been absorbed; and the sales of Bengal opium, which had for some years been kept at 4,750 chests a month, and stood at that figure in 1887–88, were reduced in 1894 to 3,105 chests a month. The average price fetched by Bengal opium at the Calcutta sales was 1,059 rupees per chest in 1887–88; it rose to 1,247 rupees per chest in 1892–93; and it was 1,109 rupees per chest in 1893–94. Towards the end of 1894 prices rose considerably, and in February 1895 reached 1,540 rupees per chest, the highest average price at any sale during the last 24 years; but it fell again to 1,327 rupees per chest in March 1895. In 1887–88 the duty on Malwa opium was 650 rupees; it was reduced to 600 rupees per chest in 1890–93, and was raised again to 650 rupees in 1894. The gross and net revenue from opium at the two periods was :—

	Gross Revenue from Opium.	Expenditure on Opium.	Net Revenue from Opium.
	Rx.	Rx.	Rx.
1887–88 - - - - - - -	8,515,000	2,425,000	6,090,000
1893–94 - - - - - - -	6,627,000	1,876,000	4,751,000

These revenues accrue on opium exported from India, and are exclusive of the revenue (Rx. 997,000 in 1893–94) raised on opium consumed in British India. The decrease in expenditure during the later year was due to the unfavourable opium harvest; the chief expenditure under the head of "opium" is the price paid for the raw opium produced in Bengal, all of which has to be delivered by the growers to Government factories for conversion into exportable opium. The price paid to growers for the raw drug was increased in 1894 from 5 rupees to 6 rupees per seer of a little over 2 lbs. weight.

In consequence of discussions in the House of Commons, a Royal Commission was appointed in July 1893 to report whether the growth and sale of opium in India should be prohibited; whether any change short of prohibition should be made in the present system; and what was the disposition of the people of India in regard to these matters. The Commission after taking evidence of people in many parts of India submitted their report in April 1895, to the effect that prohibition of opium was not advisable, and was not desired by the people of India. The report was signed by the majority of the Commission, including the Indian members; one member dissented from his colleagues, and submitted a minority report recommending prohibition of the growth and sale of opium save for medicinal purposes.

Customs.—The Memorandum of 1889 said, "Gradual reductions of duties were made, until in the year 1882 all customs duties whatever were abolished except on importations of salt, opium, wine, beer, spirits, and arms, and export duties were retained only on opium and rice. Recently an import duty has been imposed on petroleum. The salt and liquor duties, which are the necessary complement of excise duties, do not hamper the general trade of the country; the duty on arms and ammunition is levied as a matter of police precaution; and the trade of India is now, on the whole, more free from customs burdens than the trade of any great country in the world." That account of matters remained true until the year 1894 when the Indian Government had to meet largely increased charges caused by the fall in the gold price of silver; in March and December 1894, new import tariffs were enacted, imposing a 5 per cent. duty on the great bulk of imported goods, except machinery and iron. It is estimated that the new import duties will yield Rx. 3,000,000, about one-half of which will be payable on importations of cotton goods. The total yield of the customs

thousands of pounds of quinine have been made up into 3 grain packets for sale to the public at local post offices at a cost of one pice (less than a farthing) per packet. In 1893–94 between three and four million of these packets were sold in Bengal alone.

Sanitation.—The work of procuring the regular registration of deaths and births has been diligently prosecuted throughout British India. The registration of deaths in the provinces of Berar, the Central Provinces, the Punjab, the North-West provinces, and Bombay, now yields results that are believed to be fairly accurate and trustworthy; while the registration of births in these provinces is improving. In Bengal, Madras, and Burma the vital statistics are as yet untrustworthy. Computations based on the census results of 1881 and 1891* have been held to justify an estimate that the average birth-rate of all India over a series of years is about 48 per thousand, and the average death-rate is about 39 per thousand. But the divergencies from these average rates in different years and in specified tracts are very great, apart from famine or dearth, which did not visit India in an acute form during the period under notice. Notable instances of unhealthiness, due, apparently, to climatic causes, occurred during the past six years. Berar, where the population are specially well off, and dearth is unknown, returned death-rates of—

25 per thousand in 1888.
42½ „ „ 1889.
40½ „ „ 1891.
29 „ „ 1892.

The years 1889 and 1891 were seasons of heavy or untimely rainfall. Again, the Central Provinces returned death-rates of—

28¾ in 1888.
43¾ „ 1889.
34 „ 1892.
27¾ „ 1893.

In the Punjab the death-rate of 1890 was 47 per thousand, or 15 per thousand above the rate of the preceding year. But the death-rate showed a most lamentable rise in the districts of Sealkot, Gujeranwalla, Gujerat, thus:—

	Death-rate per thousand.	
	In 1890.	Average of Five preceding Years.
Sealkot - - - - -	102	31
Gujeranwalla - - - -	88	33
Gujerat - - - - -	79	29

The mortality was caused by fevers, said to be due to the abnormally heavy rain, which had caused the soil to be water-logged. None of these three districts is traversed by a canal; all are fertile and prosperous tracts, and the position was not aggravated by unusually high prices of food.

The decrease in the death-rate, which was common all over India in 1893, can, only in small part, be ascribed to improved sanitation, or to any action on the part of Government. A similar decrease is apparent in the death-rates of the British troops in India, which were—

In 1888 -	14·84 per thousand.	In 1892 -	17·07 per thousand.
In 1889 -	16·60 „	In 1893 -	12·61 „

Among

* Page 282 of Mr. Baines' Census Report for India, published in July 1893.

Among the native population the great majority of deaths are ascribed to fever in all years; but the death-rate from zymotic diseases shows great variations, due, apparently, in great measure to climate, and the reported cholera deaths for all British India were—

269,862 in 1888.	582,430 in 1891.
417,017 „ 1889.	724,015 „ 1892.
291,202 „ 1890.	216,827 „ 1893.

In municipalities there has been decided advance in sanitary, improved water supply has been provided during the past six years to several cities and towns, including Allahabad, Agra, Cawnpore, Benares, Delhi, and Rawul Pindee. Drainage schemes are in progress at Benares and some other cities. Large additions have been made to the water supply of Bombay and Calcutta; but the water supply and sanitary arrangements of Madras are still defective. In Bombay and Calcutta the death-rates are now considerably below the Indian average, and are nearer the rates in well-managed cities of Europe. The recent death-rates in these cities have been:—

During	Death Rate per thousand in		
	Bombay (Population, 821,000).	Calcutta (Population, 681,000).	Madras (Population, 452,000).
1889 - - -	25·7	28·7	42·8
1890 - - -	25·3	29·8	37·9
1891 - - -	29·0	31·5	52·6
1892 - - -	32·2	29·6	46·0
1893 - - -	28·1	29·5	41·0

Municipal authorities are everywhere paying increased attention to the sanitary affairs of their towns. In the North-Western Provinces, the Central Provinces, and Bombay, Acts have been passed providing for the sanitary improvement of rural areas and villages; in Bengal provision has been made by law for effecting the drainage of water-logged tracts; and in the North-Western Provinces considerable sums have been devoted to improving the surface drainage of water-logged tracts traversed by the Ganges Canal. Rural councils and boards are giving attention to sanitary affairs; but funds for sanitary undertakings in villages are scanty, and the people move slowly in these matters.

Much attention has been given to improving the sanitary condition of pilgrims and of the crowds at great places of religious resort. Precautions taken at the Hardwar and Allahabad festivals have resulted in greatly improved health among the multitudes who resort thither yearly. At Pooree in Orissa and on the pilgrim roads thither there has been some advance, but matters are not yet satisfactory. Arrangements are in progress for making the Red Sea voyage less trying for pilgrims to the holy places of Islam; and it is hoped that in time matters will be more favourable for pilgrims at the Turkish quarantine station in the Red Sea, and in the Hedjaz.

EDUCATION.

The general lines on which State and aided education is conducted have not been changed during the period under review; but special attention has been given to, and some advance has been achieved in respect of, primary education, girls'

girls' education, technical education, and physical training. The main educational statistics of 1887-88 and 1893-94, are thus compared:—

	1887-88.	1893-94.
Total number of colleges	125	154
„ „ college students	13,189	18,184
„ „ secondary schools	11,340	10,796
„ „ „ scholars	519,784	575,407
„ „ primary schools	120,128	135,720
„ „ „ scholars	2,911,599	3,449,002
„ „ all institutions	133,125	147,297
„ „ all scholars	3,460,847	4,066,235
Of all students, young men and boys	3,182,643	3,691,292
„ „ young women and girls	278,201	374,943
Students obtaining university degrees in arts and science	1,091	2,590
„ passing the university matriculation	5,577	5,162
„ obtaining degree or certificate in medicine	550	788
„ „ „ engineering and surveying	311	544
„ „ „ law	442	294
„ „ „ agriculture	—	115
„ „ „ teaching	2,086	3,251
Number of Hindoo students at all institutions	2,185,497	2,732,186
„ Moslem students	564,013	905,571
„ Native Christian students	73,038	99,887
„ European and Eurasian	23,013	27,975
Total expenditure on university education	Rx. 292,178	Rx. 355,834
„ „ secondary education	„ 862,712	„ 1,063,613
„ „ primary education	„ 838,890	„ 1,032,394
„ „ technical and special education	„ 137,068	„ 185,474
„ „ direction and inspection	„ 205,451	„ 231,830
„ „ scholarships	„ 67,532	„ 74,552
„ „ buildings and miscellaneous	„ 215,554	„ 284,274
Grand total of expenditure	„ 2,619,128	„ 3,227,970
Contributions from general revennes	„ 729,357	„ 898,055
„ „ municipal and local funds	„ 593,587	„ 698,378
„ „ private sources	„ 566,744	„ 681,010
„ „ school fees	„ 729,409	„ 950,527
Percentage of boy scholars to boys of school-going age	20·0	20·82
„ girl scholars to girls of school-going age	1·8	2·19

Thus the number of all scholars has increased during the six years by 17 per cent., the number of girls at school by 35 per cent.; the number of Moslem scholars by 60 per cent.; while the expenditure from the general revenues and the total expenditure on education have, in each case, increased by 23 per cent. The improvement in educational results has been common to all parts of India, except the North-Western Provinces and Oudh, where the number of schools and scholars has decreased during the last few years. The Bombay University alone grants degrees in agriculture; but in every province there has been some advance in the teaching of, and the number of scholars in, agriculture, elementary science, drawing, veterinary science, as well as in the attendance at industrial and technical schools. During the past six years there has been an important increase in the number of native drivers of engines, on locomotives, on steamers and launches, and in factories; the railway workshops and the shipbuilding yards at the large ports train yearly a considerable number of fitters and machinists; nearly all branches of printing work are now in the hands of natives. Some few educated Indians have turned their attention to dairying, tea and coffee growing; but the number of educated natives who engage in farm or agricultural work is extremely small. Effort is being made to make instruction in the rudiments of agricultural art, and in the simplest principles of sanitation part of the course at the better primary schools. Increased attention has also been given to physical training; schoolboys and teachers are adopting outdoor games more readily than heretofore; and some of the more advanced Indian educationalists have urged their fellow countrymen to insist on systematic physical training for all boys who are at secondary schools or colleges. The latest returns show that 11 per cent. of all the scholars, or about 450,000 boys and girls, are learning English. The census of 1891 showed that over the whole of India 13 per cent. of the male inhabitants, and about ½ per cent. of the women, over 15 years of age could read and write, while

4¾ per cent. of the boys and ⅓ per cent. of the girls under 15 years of age were returned as "learning."

Literature.—The latest return shows that the number of books and publications registered in India during 1893 was 7,505, of which 6,652 were in Eastern vernacular and classical languages. The majority of publications were educational (including books on languages), religious, and poetical (including dramatic). In 1887 the total number of registered publications was 8,645; but the total fluctuates from year to year. The number of vernacular newspapers and periodicals published during 1893–94 was 457, as compared with 395 in 1887–88. The largest recorded circulation was 20,000 copies, for a Bengali weekly journal. Newspapers and books were published in 19 different vernaculars of India, besides Pali, Sanscrit, and Arabic.

FINANCE.

Exchange Difficulty.—The years now under review have been marked by considerable fluctuations, and a great fall in the value of silver. India has to meet a yearly liability of about 18,000,000*l.** in gold in England; but the amount varies with the requirements of the railway companies. India collects her revenue in silver rupees, and has to meet her sterling liabilities by selling in London bills on India for rupees. The fluctuations in the average rate at which Council Bills were sold since 1887-88 have been:—

Average Yearly Rate at which Council Bills were Sold.

1887–88 - 1*s.* 4·898*d.* per rupee.	1891–92 - 1*s.* 4·733*d.* per rupee.
1888–89 - 1*s.* 4·379*d.* „	1892–93 - 1*s.* 2·985*d.* „
1889–90 - 1*s.* 5·566*d.* „	1893–94 - 1*s.* 2·547*d.* „
1890–91 - 1*s.* 6·089*d.* „	1894–95 - 1*s.* 1·100*d.* „

In 1887–88 it cost 218 millions of rupees to meet such of India's sterling payments, as were defrayed by bills drawn on India; in 1890-91 it cost 212 millions of rupees; and in 1894–95 it cost 309 millions of rupees. Besides the enhanced cost of remitting money to meet sterling liabilities, the fall in the gold value of silver throws on the Indian Treasury charges for exchange compensation to public servants and for paying British soldiers that amount in the present year to upwards of 26 millions of rupees. Thus the present rate of exchange (about 13*d.* for the rupee) caused a total yearly charge upon Indian revenues of about 156 millions of rupees over and above what it would have cost at the rate of exchange (2*s.* to the rupee) which obtained in former years.

Income and Expenditure.—Partly by reason of growing expenditure in the military and civil departments, but mainly in consequence of the increased charge for exchange, the gross yearly expenditure of India has advanced rapidly during the six years. In 1887–88 the total charges against revenue were Rx. 80,788,000; in 1893-94 they had reached Rx. 92,112,000. One-third of this increase, Rx. 11,524,000, occurred under "exchange;" of the remainder (Rx. 7,505,000) about Rx. 3,713,000 was under the head of "Railways," which, however, yielded a still larger increase of receipts. The remaining

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* *Note.*—The precise average of the six years 1888-94 was 17,932,710*l.*, and of the three years 1891–94, was 18,198,857*l.* The chief heads of the charge for 1893–94 were:—

Chargeable to Revenue:	£.
Interest on Railway Debt, and annuities in purchase of railways	5,744,000
Interest, other debt	2,505,000
Army, including pensions and furlough allowances, &c.	3,613,000
Military Stores	917,000
Civil Departments, including India Office, pensions, leave allowances, &c.	2,652,000
Civil Department Stores	396,000
Total	£. 15,827,000
Not Chargeable to Revenue:	
Stores for State railways and irrigation works	725,000
Grand Total	£. 16,552,000

remaining increase was met by the gradual growth of the old sources of revenue. The salt tax was (as has been stated) raised 25 per cent. in 1888, yielding Rx. 1,750,000 of additional revenue. The only new taxes imposed during the six years were: (1) the cess for meeting the cost of village officials (patwaris), which had been remitted in 1882–83, but was reimposed in 1889–90, and yielded Rx. 250,000 a year; and (2) an import duty on petroleum, which yielded Rx. 263,000 in 1893–94. The net result of the Indian finance during the six years was:—

	Surplus.	Deficit.
	Rx.	Rx.
1888–89 - - - - -	37,000	—
1889–90 - - - - -	2,612,000	—
1890–91 - - - - -	3,688,000	—
1891–92 - - - - -	468,000	—
1892–93 - - - - -	- - - -	83 ,000
1893–94 - - - - -	- - - -	1,547,000
Net surplus on the six years.	Rx. 4,425,000	

The surplus was devoted to the construction of railways, and thus obviated loans to a corresponding amount. During the six years the famine surplus, which was intended to meet the cost of relief in years of famine, amounted to Rx. 7,140,000, and was spent thus:

	Rx.
On actual famine relief - - - - -	176,000
On constructing protective railways and irrigation works.	2,942,000
On reduction or avoidance of debt - -	1,662,000
On meeting the net charge on account of two protective railways, the Bengal-Nagpur, and the Indian Midland Railway - - -	2,362,000
	7,142,000

In 1894–95 the increasing loss by exchange compelled the Government of India to forego, or absorb into the ordinary revenue, more than two-thirds of the famine surplus, and also to impose import duties which, at the rate of 5 per cent. *ad valorem*, will yield about Rx. 3,000,000. By these means it is hoped that a moderate surplus will be secured in the years 1894–95 and 1895–96.

Closing of the Mints.—When the fall in the gold value of silver began to throw heavy charges on the Indian Exchequer, and also to have a serious effect on India's trade, the Government of India urged that effort should be made, by international agreement, to restore silver to common use as money among the chief nations of the world. America was believed to be in favour of such a measure, which was also supported by a considerable party in the United Kingdom, in France, and in Germany. Two international conferences were held, one at Paris and one at Brussels. Inquiry was made into the subject by a Royal Commission in London and by similar bodies in other countries. But there was no prospect of such an international agreement as the Indian Government desired. Meanwhile, though the gold value of silver declined, the downward tendency was partially arrested by two causes, namely (1) the continuance of the arrangement whereby the Indian mints were open to coin into rupees all silver tendered to them; and (2) the monthly purchase of a large quantity of silver bullion by the United States Treasury. The Government of India, hopeless for the time of any bi-metallic agreement among the nations, and foreseeing that the United States would shortly cease to purchase silver, proposed to close the Indian mints to the free coinage of silver, and so

gradually to prepare the way for the adoption of a gold standard in India. After taking the advice of a committee of financial and economic experts, Her Majesty's Government accepted the proposal of the Government of India, and the Indian mints were closed to the free coinage of silver on the 26th June 1893. At the end of October 1893 the American purchases of silver for the United States treasury were stopped. The price of silver fell largely during the autumn, and so also did the gold value of the rupee; and both, with some fluctuations, fell further during the year 1894. But since the closing of the Indian mints to free coinage the gold value of the rupee has generally ruled from 1½*d.* to 2*d.* (or from 12 to 16 per cent.) higher than the intrinsic value of the coin; whereas in previous years the exchange value of the rupee had varied, more or less closely, with its intrinsic value. The closing of the mints was followed by some disturbance of the trade in opium and cotton goods between India and China; but before the end of 1894 this traffic had settled down into the new circumstances.

National Debt.—The national* debt of India and the assets to be set against that debt, at the two periods, stood thus:--

	1886-87 (end of).	1893-94 (end of).
Debt	£. 84¼ milllions	£. 108¼ millions
	Rx. 92¾ milllions	*Rx.* 105½ millions
TOTAL	177 millions	213¾ millions
Assets, being Railways and Irrigation Works on which borrowed money was spent, and loans to public bodies	* 133 millions	† 185½ millions
Net Excess of Debt above Assets to be set against that Debt	44 millions	28¼ millions

* The details of the assets shown as existing against the debt of India in March 1887 are :—

Expended on railways constructed by the State	Rx. 59,183,000
„ purchase of railways	£. 45,204,000
„ irrigation works	Rx. 25,381,000
„ loans to Native States and Municipalities	„ 7,394,000
	137,162,000
Deduct unspent capital of Railway Companies	£. 3,830,000
	133,332,000

† The corresponding details for March 1894 are :—

Expended on railways constructed by the State	Rx. 80,754,000
„ purchase of guaranteed railways	£. 59,236,000
„ irrigation works	Rx 29,693,000
„ loans to Native States and Municipalities	„ 10,994,000
Advances to Railway Companies	£. 4,863,000
	185,540,000

Interest on the national debt of India is now payable at the rate of 3½ per cent. In 1888 was completed the transaction whereby 53¼ millions of sterling 4 per cent. debt were converted into 3½ per cent. stock, thus securing a reduction of 266,000*l.* in India's yearly expenditure. In 1894 a similar operation was completed in respect to Rx. 90 millions of rupee 4 per cent. debt., thus securing a further saving of Rx. 450,000 in the yearly charge for interest. At

* *Note.*—In the figures here given for the National Debt of India are not included—

(*a*) the temporary loan contracted in London at the end of 1893	£. 6,000,000
(*b*) other obligations, such as deposits, &c., in India	Rx. 18,558,000
TOTAL	24,558,000

Against these temporary and fluctuating obligations may be set the cash balances of 31 March 1894, amounting to

Rx. 25,566,000 in India.
£. 1,300,000 in London.

TOTAL 26,866,000

At the present time (May 1895) India's 3½ per cent. sterling stock is quoted at 115; India's 3 per cent. sterling stock is quoted at 106; and India's 3½ per cent. rupee paper is quoted in India at 107. The Secretary of State can raise sterling loans for railways at 3 per cent., and can obtain temporary loans on lower terms.

Paper Currency.—Government currency notes constitute, as in 1887–88, the only paper money in British India. The circulation of these notes has risen from Rx. 16½ millions in March 1888 to Rx. 30½ millions in March 1894. In the year 1890 the Government were empowered by law to invest Rx. 8,000,000, instead of Rx. 6,000,000 as theretofore, in Government securities. The full permissible amount has been invested; and the currency reserve of cash stood in March 1894 at Rx. 22,700,000. The disbursements of the currency department during the year were Rx. 57,600, and the net profits were Rx 270,000.

PUBLIC WORKS.

Railways.—The advance made in railway communications and traffic during the six years has been as follows:

	1887–88.	1893–94.
Miles of railway opened on 31 March	14,383	18,500
Mileage under construction or sanctioned	2,487	1,922
Total outlay on railways	Rx. 187¼ millions	Rx. 241½ millions.
Average cost per mile of open line	Rx. 12,500	Rx. 12,600
„ „ standard gauge	Not given	Rx. 16,100
„ „ metre gauge	Not given	Rx. 7,600
Number of passengers carried	95⅓ millions	135⅓ millions.
Tons of goods carried	20¼ millions	28¾ millions.
Gross earnings of all railways	18½ millions	Rx. 24 millions.
Working expenses of all railways	9 1/10 millions	Rx. 11½ millions.
Net earnings of all railways	9⅓ millions	Rx. 12⅔ millions.
Average return on capital	5·12 per cent.	5·46 per cent.
*Loss to the State on all railways	Rx. 1,189,000	*Rx. 1,597,000

* *Note.*—The loss on the railway account in 1893–94 is correctly given at Rx. 1,597,000. But it should be stated that Rx. 360,000 of the railway charges were spent on sinking funds, which will redeem the capital of certain purchased lines at the expiry of the period for which the annuities run. This outlay is therefore of the nature of a repayment of capital; and the yearly loss to the Indian Exchequer on the railway account in 1893-94 is thus reduced to Rx. 1,237,000.

The loss to the State on railways, that yield average net earnings of nearly 5½ per cent. a year, is due: (1) to the agreement under which guaranteed railways enjoy one-half the surplus earnings above 5 per cent.; (2) to the liability to pay guaranteed interest in gold; and (3) to the fact that some of the guaranteed lines, such as the Indian Midland and the Madras railways, fall far short of earning their guaranteed interest, and that the 5½ per cent. is computed on the capital cost of the *open* lines, while the capital spent on the 1,922 miles under construction is, as yet, yielding no return. Among the most paying of the shorter lines are the Jodpore line, constructed by a Rajputana chief, and the Tarkessur line, financed and built by an Indian Company. Among the more important lines completed or begun during the six years are—

The East Coast Railway from Madras to Calcutta.
The Mandalay Railway, with extensions towards Bhamo.
The Indian Midland Railway.
The Bengal-Nagpur Railway.
The Assam-Bengal Railway.
The North Western Railway Frontier Extensions.
The Southern Mahratta-Mysore Railway.
The Delhi, Ambala, and Kalka Railway.
The Godhra and Rutlam Railway.

The guaranteed railways, purchased by the Government during the six years, at the end of the guaranteed term were the Oudh and Rohilkund, and the South Indian railways. Fares and rates have been lowered on some lines since 1888; passenger rates are down to 2 pie (less than two-thirds of a farthing) per mile; and goods rates for long distances are as low as 4 pie per ton (less than 1⅓ farthings) a mile. Progress is being made with rendering third class carriages, and stations, more convenient for Native, especially female Native, passengers. Although Indian railways involve—chiefly by reason of the fall in the gold value of silver—a yearly loss to the Indian Treasury, yet they do an immense service to the people, the country, and the Government; it is computed that any corresponding movement of passengers, goods, and troops would have taken 15 times as long, and would have cost five times as much in the era before railways. Without railways India's export trade could never have reached its present importance. But the greatest boon conferred by the railways is the facility given for internal traffic; prices of food and other commodities (save bulky articles like coal) are now more nearly equalised all over the country; when crops fail and prices rise, supplies of food are poured into the distressed tract by railways in the natural course of trade; the farmer gets a fair price for his produce even in bumper years; and it cannot happen, as used to occur 20 years ago, that food grains are at famine prices in one part of a province, while in another part—300 or 400 miles away—the same grains are selling at one-fourth of the price ruling in the distressed tract.

Canals.—The progress and results of irrigation works, for which capital accounts are kept, may be thus compared for the period 1888 to 1894 :—

	March 1888.	March 1894.
Total capital outlay on large and small irrigation works for which separate accounts are kept.	Rx. 31¼ millions	Rx. 35¾ millions
Area irrigated by these works - - - - -	*7,590,000 acres	*9,383,000 acres
Gross irrigation revenue - - - - - -	Rx. 2,017,000	Rx. 2,749,000
Expenses of working and maintenance - - - -	Rx. 948,000	Rx. 1,142,000
Proportion of net yield to capital cost of all works - -	3·4 per cent.	4·4 per cent.
Length of main canals in miles - - - - -	Not precisely given for that year.	14,114
„ minor channels in miles - - - - -		26,119

* These figures do not give the area irrigated by *all* Government works, but only that irrigated by Government work for which capital accounts are kept.

The more important new irrigation works undertaken or prosecuted during the six years have been :—

The Chenab Canal, which is to irrigate parts of the rainless plain in the west of the Panjab, whither many thousands of families of cultivators are migrating as canal water becomes available.

The Periyar project for impounding a great supply of water for irrigating the Vaigai plain in the Madura district.

The Rushikulya project for irrigating a large tract in Ganjam on the north coast of Madras.

Improvements and extensions of the Sind, the Sutlej, the Jumna, and the Lower Ganges Canals.

Most of the great canals of northern India and of the Madras Presidency have been and are financially successful, and yield a net revenue of more than four per cent. on their cost. The non-paying canals are the Orissa and Sone Canals in Bengal, which cost the country year by year Rx. 200,000 above their earnings; the Tungabhadra Canal in Madras, which has never earned a dividend since it was opened 20 years ago; the Betwa Canal, which is a famine protective work to relieve the Jhansi country in years of drought; and the Bombay tanks and canals, which barely yield a dividend of one per cent. on their capital cost of 2½ millions.

Buildings

Buildings and Roads.—Much of the expenditure on buildings and most of the outlay on roads are managed by local authorities under the different Local Self-government Acts in the several provinces. The outlay for these purposes, apart from military works, was :—

	Rx.
In 1887–88 - - - - - - -	4,088,000
In 1893–94 - - - - - - -	4,484,000

Of the latter sum the details are :—

Buildings - - - - - - -	1,217,000
Roads, bridges, paths, &c. - - - -	2,088,000
Miscellaneous works - - - - -	229,000
Establishment, tools and plant - - - -	950,000
	Rx. 4,484,000

TRADE AND MANUFACTURES.

Trade.—The exchange of commodities between the different countries that make up India has increased, as facilities for communication by railways, canals, roads, river steamers, and coasting vessels. Mention has been made of the increased traffic by railway. Accurate statistics have not been completed of India's internal traffic by road and river. The totals of the external and coasting trade of India, including Government stores and treasure, at the two periods are :—

	1887–88.	1893–94.
	Millions of Rx.	Millions of Rx.
Value of India's exports by sea - - - - -	92	110½
Value of India's imports by sea - - - - -	79	95½
Value of total foreign trade by sea - - - - -	171	206
Value of foreign trade across the external land frontier -	9¼	8
Value of total coasting trade - - - - - -	60¾	68½
GRAND TOTAL - - -	241	282½

In the year 1893–94 the importations of cotton goods were unusually heavy; the rice and wheat exports were low, and the oilseeds exports were nearly 50 per cent. larger than in any previous year. The chief changes in the staples of India's external trade during the past six years have been a shrinkage in the exports of wheat and opium, and an increase in the importations of cotton goods and petroleum, with a large advance in the exports of oilseeds, tea, jute, cotton goods, and hides. The net importations of treasure into India were Rx. 13,318,000 in 1887–88; they ranged from Rx. 19,811,000 in 1890–91 to Rx. 10,050,000 in 1892–93, and averaged Rx. 14,460,000 a year for the period 1888–94; towards the end of that period the closing of the mints took effect, and the net imports of treasure during the eleven months ending with February 1895 were only Rx. 668,000.

Manufactures.—The factory industry of India, as distinguished from village and home industries, has received little development in India, as compared with the greatness of her resources and of her requirements. Still there has been

some advance during the past six in the cotton, jute, rice, and timber industry, thus :—

	1888.	1894.
Number of cotton mills	89	136
working looms	16,736	29,362
working spindles	2,190,376	3,538,577
employing hands	72,000	130,000
Number of jute mills	24	28
working looms	7,134	9,590
working spindles	135,593	192,688
employing hands	30,000	69,000
Number of rice-cleaning mills	43	58
Number of timber saw mills	41	69
Number of paper mills	4	8

In 1891 the Indian Factory Law was amended, with the result that its provisions were extendible to factories employing 20 hands; that the minimum and maximum ages of child labourers were raised by two years to 9 and 14 years respectively; that the time of work for women was limited to 11 hours a day; that a time of rest at mid-day was prescribed for all hands. Yearly reports by factory inspectors are now published; the reports for 1893 showed 715 factories, employing 346,000 hands, of whom 50,000 were women, and 20,000 were children. The inspectors report that the provisions protecting labourers are generally observed; 32 persons were convicted during the year of breaches of the Factory Law.

Minerals.—The progress in raising coal, though far less than the advance made by Japan, has been considerable. No coal has yet been found in Western India, or near the coast. The new coal sources worked during the six years have been in Salt Range of the Punjab and in Upper Burma; neither of these sources, as yet, yields any large quantity of good coal. The coal sources of Upper Assam, of Umaria in Bhagelcund, and of Singareni in the Nizam's territory, have been much developed since 1888. The total output of all Indian coal mines was 1,388,000 in 1887, and had reached 2,529,000 tons in 1893; while the coal imported into India fell during the same period from 765,000 tons to 648,000 tons. Though India possesses vast deposits of rich iron ore, there is as yet only one establishment in India for iron smelting; these ironworks at Barrakur in 1893 turned out 18,000 tons of pig iron and 4,000 tons of castings. There has been some further development of the tin industry in the south of Burma; but the business is not so active or so successful as in the States lower down the Malay peninsula. Gold is being worked to good profit in Mysore; and the value of the output has risen from Rx. 283,000 in the five years ending in 1888 to Rx. 1,450,000 in the year 1893, yielding to the Mysore State a royalty of Rx. 77,000. Gold prospecting in the Madras Presidency, in the Nizam's territory, in Chota Nagpore, and in Upper Burma has, so far, been unsuccessful. Trial borings for petroleum have been put down at different places in Baluchistan and in the Salt Range. In 1890 over 100,000 gallons of inferior oil were raised in Baluchistan and used in locomotives. But the supply was not constant, and these oil sources are not now worked. The oil field of Upper Assam has not yet been exploited to advantage, though the oil is reported to be good, and concessions have been held there for some years. The output of the Burma oil fields has risen from 2¾ million gallons in 1888 to 10¼ million gallons in 1893. The consumption of petroleum in India has advanced,

advanced, notwithstanding the tax on imported oil, from 30¼ million gallons in 1887-88 to 83⅜ million gallons in 1893-94. So India, as yet, produces only one-tenth of the petroleum she consumes.

Agriculture.—Much attention has been given during the past six years to matters connected with agriculture, which is by far the most important industry in India. Heretofore agricultural statistics for Bengal have not been available; but now approximate figures can be given for the whole of British India, thus—

	Millions of Acres.
Net area cropped during the year 1893–94 - - -	197·4
Of which were cropped more than once - - - -	28·1
Making the total area of crops - - - - -	225·1
Of which were irrigated - - - - - - -	26·7
Area of current fallows - - - - - - -	27·0

The area under some of the staple crops was returned for the year 1893–94, thus:—

	Millions of Acres.
Area cultivated with rice - - - - - -	68·4
„ „ wheat - - - - - -	22·2
„ „ millets of different kinds - - -	38·5
„ „ other food crops, including pulses -	47·2
TOTAL of Cereals and Pulses - -	176·3
Area cultivated with oilseed - - - - - -	14·8
„ „ sugar-cane - - - - -	3·0
„ „ cotton - - - - - -	10·5
„ „ fibres other than cotton - - -	2·9
„ „ tobacco - - - - - -	1·2
„ „ fodder crops - - - - -	1·9
„ covered by orchards and vegetable gardens - -	2·7
Miscellaneous food crops - - - - - - -	3·1

If we reckon tea, coffee, and sugar as food crops, then the total area under food crops in 1893–94 was 185½ million acres, or 82 per cent. of the total area of crops in British India.

In 1889–90 an expert agricultural chemist, Dr. J. A. Voelcker, was deputed to India to advise upon the best means of applying the teachings of agricultural chemistry to, and of improving, Indian agriculture. After spending 13 months in examining the facts of Indian agriculture and attending two agricultural conferences, Dr. Voelcker presented a report, making a series of recommendations either for organised inquiry on specific points, or for definite action in certain directions. He held that in many parts there was little that could be improved in Indian agriculture in present circumstances; and he advised that attention should be given to the diffusion of agricultural education, to the increase in the supply of water to dry tracts, to the encouragement of arboriculture, and the due utilisation of existing forests for the benefit of the people, to increasing the supply of manure, to furthering the growth of fodder crops, to improving the breed of cattle, and to scientific inquiries in chemico-agricultural matters. Dr.

Voelcker's scheme of work has been accepted by the Government. The Agricultural Departments of the several provinces are gradually adopting the advice given; and already something has been accomplished in more than one of the directions indicated. A bacteriological laboratory has been established for investigating the causation and the possible prevention of Indian epizootic diseases. Two agricultural chemists have been engaged for carrying out some of the inquiries that were suggested by Dr. Voelcker, and to assist in training students who shall be hereafter able to impart sound agricultural education.

LOCAL SELF-GOVERNMENT.

Municipalities.—The progress of municipal affairs since 1887–88 may be exhibited in figures thus:—

	1887-88.	1893-94.
Number of municipal cities and towns	726	748
Population of municipal cities and towns	14,208,000	15,643,000
Municipal Receipts:	Rx.	Rx.
From octroi duties	752,000	941,000
„ other taxation	1,252,000	1,622,000
„ other sources	751,000	1,057,000
„ loans	702,000	978,000
TOTAL Rx.	3,457,000	4,598,000
Municipal Expenditure:		
On public health	1,466,000	2,358,000
„ „ convenience, including streets and roads	501,000	
„ „ safety	304,000	339,000
Interest on and repayment of debt	272,000	382,000
General, including collection costs and miscellaneous	776,000	1,447,000
TOTAL Rx.	3,319,000	4,527,000

In almost every municipality, from one-half to two-thirds of the members of the governing body are elected by the ratepayers, and from two-thirds to nine-tenths of the members in the different provinces are natives of India. The interest shown by the townsfolk in municipal elections varies greatly; the proportion of the electors who voted at contested municipal elections in 1893–94 ranged in different towns from 5 per cent. to 99 per cent. of the voters on the electoral roll. A large number of the chairmen of municipal councils are Indians; the bulk of the municipal work of the country is done by Indians; and the non-official members are more regular in their attendance at council and committee meetings than the official members. On the whole, municipal business is done fairly well, and is improving. Members receive no salaries; and there are no reports of corruption or jobbery. Municipal councils are slow to impose fresh taxation when it can be either avoided or postponed. But the way in which many municipalities have during the past voted for important works of water supply, drainage, and sanitation show that the governing bodies do not hesitate to sanction really necessary and useful undertakings. Municipal administration during the period 1888–94 has been specially marked by the prosecution and completion of schemes for improving the water supply of cities and towns.

District Boards.—In almost every one of the 250 districts, or administrative units, into which India is divided, there is now established a district board with subdivisional boards for divisions of districts. Except in Burma and in the Punjab frontier districts the majority of members on all these boards are chosen by the people, either directly or through representative men. The boards have charge of rural roads, bridges, hospitals, and rest-houses; in some provinces they also have charge of primary schools. They administer the local taxes, and in some cases they decide at what rate those taxes are to be levied.

The

The improvement of the sanitation and water supply of villages has, in most provinces, been committed to the district and local boards. Something has been done towards improving and protecting the purity of the rural water supply; but, partly from lack of funds, and partly from want of sympathy in the work, local boards have not as yet been active in promoting village sanitation. Acts and rules on the subject have been passed; but improvement must be slow and gradual, as the people themselves, or their local leaders, are educated to appreciate sanitary reform. The provincial Governments report for the most part that the work of the district and local boards in 1893–94, and the improvement they had achieved, were generally creditable to those bodies; though there was room for much further improvement, especially in the matter of sanitary progress.

Port Trusts.—The Port Trusts, in whose hands are placed the administration of harbour and foreshore affairs at all the chief ports, enjoyed during the year 1893–94 an income of Rx. 2,250,000. The governing bodies of these Trusts consist of representative British, Indian, or other merchants, with a few local officials. They give satisfaction to the commercial public and to the shipping; and their efforts are directed to keeping the port and harbour dues as low as possible, compatibly with the efficient management and conservancy of the ports under their care. In Bombay, Rangoon, Karachi, and Chittagong, and at most of the smaller ports, the Port Trusts have done their work well, and dues have been kept low. During the past six years a new dock has been opened at Bombay; the Madras Harbour has been practically completed at a cost of Rx. 1,238,000, and it remains to be seen how it will stand; and large new docks have been finished at Calcutta at a total cost of Rx. 2,874,000. As yet the Calcutta Docks have earned little revenue, and extra dues, yielding Rx. 117,000 a year, have had to be imposed on shipping frequenting Calcutta, to meet the interest on the capital cost of these works.

ARMY.

The total strength of the Army in India at the two periods was :—

	31 March 1894.	31 March 1894.	
		Units.	Men.
British Cavalry	-	9 regiments	5,775
Artillery	-	88 batteries and companies	13,257
Engineers	-	-	209
Infantry	-	52 battalions	54,622
	69,910		73,863
Indian Cavalry	-	34 regiments	21,234
Artillery	-	9 batteries and companies	1,971
Engineers	-	-	3,495
Infantry	-	122 battalions	105,063
Other Corps, including Hyderabad Contingent.	-	-	18,300
	148,747	-	150,063
GRAND TOTAL British and Indian Troops	218,926	-	223,926
Number of Enrolled Volunteers	18,388	-	28,889
„ Native Army Reservists.	-	-	13,316
„ Volunteer Reservists	-	-	1,680
TOTAL of Enrolled and Drilled Reserves	21,443	-	43,885

Some of the principal measures of Army equipment and administration during the six years were the arming of British troops with a magazine rifle, of Indian troops with the Martini-Henry rifle, of the Field Artillery with new breech-loading guns; the provision of a certain number of machine guns; the organisation of a reserve of officers and of a body of Native reservists; the completion of the mobilisation arrangements, and of a specified supply of transport animals and appliances; the substitution of seven Burma battalions of troops recruited from northern India in place of seven regiments manned from unwarlike races of southern India; the organisation of the Hindustani infantry regiments as class regiments instead of mixed regiments; the enhancement of the pay of Native Cavalry troopers, followed in 1895 by the enhancement of the pay of Native Infantry soldiers; the practical completion of the special defence works begun about eight years ago. In 1894 orders were issued for the conversion of the three presidential Armies of Bengal, Madras and Bombay, into four Armies, each under a Lieutenant General, and all subordinate to the Commander-in-Chief in India. A separate command, directly under the Commander-in-Chief, is retained in Burma. The responsibility of the Local Governments of Madras and Bombay for Army administration has now ceased.

The military forces at the disposal of the British Government in India have been materially enhanced by the contingents which some of the larger Native States have voluntarily undertaken to equip and maintain in complete efficiency, for the service of Her Majesty when need arises. These Imperial Service Troops are armed and equipped like regular troops of the Indian Army; they are commanded by Indian officers, and periodically inspected by British officers. Contingents from these troops have joined with British forces at camps of exercise, and have fought gallantly side by side with soldiers of the Punjab Army. The numbers of Imperial Service Troops already in a state of efficiency are approximately—

———	Officers and Men.	Horses, Mules, and Camels.
Mountain artillery	143	67
Cavalry	7,740	7,510
Camel Corps	499	469
Infantry	7,133	—
Transport corps	1,042	1,473 (besides 595 carts).
TOTAL	16,557	9,519 (and 595 carts).

The cost of the Indian Army at the two periods may be thus stated:—

———	1887-88.	1893-94.
	Rx.	Rx.
Army Expenditure in India:		
Effective	14,244,000	15,026,000
Non-effective	861,000	939,000
Army Expenditure in England:		
In Sterling	3,741,000	4,418,000
Exchange on Sterling	1,572,000	2,871,000
Military Works	1,232,000	1,181,000
Special Defence Works	456,000	325,000
	22,106,000	24,760,000
Deduct Military Receipts	1,101,000	896,000
NET EXPENDITURE	21,005,000	23,864,000

Of

Of this net expenditure the share due to exchange, or to the fall in the gold value of silver, was :—

	1887–88.	1893–94.
	Rx.	Rx.
Exchange on Army Sterling Expenditure - - -	1,582,000	2,839,000
„ Special Defences and Military Works -		74,000
„ Soldiers' Pay - - - - - - -	437,000	852,000
Compensation to Officers for Loss by Exchange - -	—	277,000
TOTAL - - -	2,019,000	4,042,000

Thus in the increase of military expenditure during the six years, Rx. 2,023,000 out of Rx. 2,859,000, or 70 per cent. of the whole, was caused by the fall in exchange.

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